II. Analysis of Census Results

To help display the census information comprehensively and accurately demonstrate the development conditions of industry, there are three separate parts for the content of statistic analysis of census results for year 2006. Among them, the summary of census results was from compiling and extracting important information of industrial development from last five years, showing the development context of domestic industrial development. In terms of industrial and service industry sector, scale of enterprise, traditional and non-traditional Manufacturing, knowledge and non-knowledge intensive service industry, the comprehensive analysis of census results will elaborate their status of development. In addition, industrial upgrading, operation efficiency of enterprise, region economy, and development of focus industry are investigated with other auxiliary themes as important industrial economic issues and mode of management in order to fully demonstrate the development context of domestic industry. The analysis of census items will base on trade and county and city category to analyze the number of enterprise and venue establishment, input, output, operation features and efficiency as well as fluctuating trends.

(I) Summary Analysis of Census Results

In review of the time span in five years from 2001 to 2006, there was negative economic growth in the country as of network bubble in 2001 and 911 terrorist attack in 2002. With international economic recovery, domestic economy expanded year by year, leading to prominent growth in every item of statistic results of 2006 census as contrast to that of 2001 census, while industrial sector was found with prominent growth as affected by booming development of Manufacturing and recovery of Construction. Though there was economic recovery with the service industry, the financial industry remained much affected by dual-card bad debt, and the growth of telecom industry was relatively stable as of the matured market as well as the slow expenditures with domestic consumption. As a result, it affected the development of retail industry, leading to its growth relatively lower than that of the industrial sector, and the details of relevant analysis are as follows:

1. Number of Industrial and Commercial Enterprises

▲ Number of enterprises increased 18.15%, industrial sector with shift growth by 12.52%.

By the end of 2006, the entire unit number of industrial and commercial enterprises amounts to 1,105,102, and there was increase of 169,786 entreprises or 18.15% for past five years. Among them, the number of enterprises among service sector amounted to 79.55%, the industrial sector 20.45%, and because there was restored development with traditional manufacturing, there was an increase of 12.52%, with prominent growth as contrast to the negative growth found in 2001 census.

▲**Number of establishments increased 19.23%, with relatively higher growth rate in central and southern region.**

By the end of 2006, the entire unit number of industrial and commercial establishment amounts to 1,158,362 and there was increase of 186,862 establishments or 19.23% for past five years. Besides, northern region remains the primary area of concentration for industry and commerce, while the growth of number of venue establishment in central and southern region was respectively as 19.49% and 20.91%, surpassing the growth rate of 18.50% in northern region.

▲**In 2006, the survival rate of operation by industrial and commercial business was 72.68%, comparatively higher than 2001 census.**

As found from 2006 census, the survival rate of enterprise with more than last five years in operation was 72.68%, which was enhanced by 3.27 percentage point as contrast to 2001 census, while the industrial sector was 79.48%, enhanced by 7.15 percentage point in contrast to that of 2001, the service sector was 70.82% and enhanced by 2.33 percentage point, showing stable growth of the industry.

2. Investment of industrial and commercial business

▲**For past five years, the persons engaged of industry and commerce increased 13.31%, with the greatest amount of opportunity in Manufacturing.**

By the end of 2006, the entire number of persons engaged in the industrial and commercial establishment amounts to 7,549,912, and there was increase of 886,562 persons or 13.31% for past five years, clearly higher than 1.16% as found in 2001 census. Among them, the industrial sector amounts to 42.2%, while the service sector amounts to 57.80%, and the employment opportunity created by Manufacturing for past five years reached nearly 260,000 persons, being the most of all. Besides, the persons engaged for Support Services increased 99.05%, with the largest growth. If we observe from the each trade of the manufacturing, since Optoelectronic and Semiconductor Manufacturing were fast expanding, it led the number of persons engaged of Electronic Parts and Components Manufacturing to increase more than 160,000 persons, being the most of all.

▲**For past five years, the average year-round labor compensation per person engaged increased 7.52%, with slow growth.**

In 2006, the average year-round labor compensation per person engaged was NT$541,054, with an increase of 7.52% for past five years, but it was lower by 15.32% than that of 2001 census, with slow growth. Among them, the industrial sector increased 13.04%, and it was higher by 3.46% than that of the service sector. Besides, Manufacturing increased 14.46% and was the most among various industries, seconded by Mining and Quarrying as 13.81%, trailed by Finance and Insurance as 10.81%, and negative growth of 9.73% of the Support Services, with the greatest reduction.

▲For past five years, the assets used in operation increased nearly 40%, while the proportion of tangible fixed assets accounting to assets used in operation displayed decline.

By the end of 2006, the assets used in operation by industry and commerce reached NT$ 106 trillion and 663.2 billion, which was an increase of 38.82% against that of 2001, with slow growth. As also affected by globalization and knowledge-based economy, the utilization and allocation strategy of assets by enterprise was marked with clear difference with times before. By the end of 2006, those with tangible fixed assets amounted to 23.00% of the assets used in operation as contrast to 27.6% against that of 2001, with a 4.60-percentage-point minus. Among them, the industrial sector reduced by 7.47 percentage point, prominently higher than that of the service sector as 3.26 percentage point.

▲The amount of dispatch workforce used by industry and commerce reached more than 114,000, with Manufacturing accounting the most; there were 1,411 commercial enterprises operating labor dispatch.

By the end of 2006, there were 7,792 industrial and commercial enterprises resorting to workforce dispatch, and there was an average of 114,506 dispatched persons every month. Among them, Manufacturing employed 47,065 persons as the top of all; if we observe the percentage employing dispatched personnel against hired employee, Mining and Quarrying of 5.11% should be the highest, while there were 1,411 enterprises running dispatch business, dispatching a number of 126,898 persons every month.

▲In 2006, the amount of intangible investment by Manufacturing was the top among other industries.

In 2006, the R & D expenses of Manufacturing reached NT$ 282.2 billion, and NT$12.6 billion was spent on employee training, NT$226.2 billion on marketing, and NT$ 18.7 billion on the purchase of computer software and database, which amounted to 84%, 41%, 55%, and 38% of all industries respective, being the highest of all.

▲In 2006, the purchase of professional technology by industry and commerce amounted to NT$93.7 billion, while the sales of professional technology reached NT$37.2 billion.

In 2006, the purchase amount of professional technology with the industry and commerce was NT$93.7 billion, while NT$ 22.3 billion was used to purchase domestic technology, and NT$71.4 billion for overseas technology. On the other hand, the sales amount of professional technology reached NT$ 37.2 billion, with NT$24.2 billion sold domestically and NT$13 billion sold overseas. Clearly, the demand for profession technology by domestic enterprise was larger than supply, especially the need for overseas professional technology was lot more urgent as there was much dependence on overseas professional technology.

3. Output by industry and commerce

▲For last five years, the total value of production increased nearly 50%, while industrial sector was relatively higher than the service sector.

In 2006, the total value of production of the industry and commerce reached NT$23 trillion and 934 billion, with an increase of 48.97% as against that of 2001. Among them, the industrial sector, because of booming development with Petrochemical, Steel, Optoelectronic industry, and continuous growth with the operation of Construction, achieved an increase of total production by 62.28%, much higher than the 29.44% of the service sector.

▲For distribution of net production, the structure of labor compensation displays declined; the enterprise rewards was increased, and it was most prominent with non-traditional manufacturing.

In 2006, the distribution of net production with the industry and commerce was the highest as labor compensation by 51.62%, only it was 9.17% as against that of 2001; it was the second by enterprise rewards as 42.82%, increased 12.81% as against that of 2002, showing the change of increase and decline. Among them, non-traditional Manufacturing, under the deployment of global operation, largely employed inexpensive production factor in the newly burgeoning countries to lower its production cost, leading to the result that labor compensation structure reduced by 19.79 percentage point.

4. Change of industrial structure

▲The proportion of total value of production from the industrial sector returns to 1996 level.

As affected by globalization and the trend of professional division of labor, it was resulted in the relocation of tradition industry and the proportion of industrial sector demonstrated decline since 1986 census. However, Manufacturing and Construction showed stable growth in recent years, and the total value of production increased 67.78% and 27.57% respectively for last five years. It led to the result that the proportion of total value of production of the industrial sector amounted to 64.77% of all industries, which increased 5.31 percentage point as against last census and exceeded 63.55% as found in 1996 census.

▲The operation constitution of manufacturing and traditional industry clearly strengthened, and their total value of production increased more than 60% for past five years.

For past five years, the number of enterprise and persons engaged of traditional industry and Manufacturing increased 5.06% and 4.56% respectively, while the total value of production also largely increased 63.40%. Hence, the labor productivity, capital productivity, and profit increased 56.28%, 40.99%, and 4.82 percentage point respectively, and which were clearly higher than 37.43%, 3.34%, and 4.20 percentage point of the non-traditional industry, showing the enhanced competitiveness of traditional manufacturing. Besides, the gross value of production of traditional manufacturing increased, which was mostly from efficiency enhancement as amounting to 93.25%, and 6.75% was from the amount of investment. As for the increase of gross value of production from non-traditional manufacturing, the increase from enhanced efficiency amounts to 61.26%, while the amount of investment reaches 38.74%.

5. Operation efficiency of industry and commerce

▲For past five years, labor productivity of the industry and commerce increased 31.48% with 18.22% drop in labor cost of unit output showing prominent increase of enterprise competitiveness.

For past five years, labor productivity of the industry and commerce increased 31.48%, which was higher than the increased 7.52% of year-round average labor compensation per person engaged, leading to the decline of labor cost of unit output by 18.22%, with prominent increase of enterprise competitiveness. Among them, the labor productivity increased 47.61% with the industrial sector, while labor cost of unit output reduced by 23.43%. As of slow growth with domestic demand for the service sector, there was only 11.58% increase of labor productivity because of dual-card bad debt, matured development of telecomm, and prominent effect enhanced with labor input. Thus, labor cost of unit output reduced by 7.29%, lot lower than the industrial sector, showing that the competitiveness enhancement of industrial sector was more favorable than that of the service sector.

▲For past five years, the added-value rate reduced by 2.77 percentage point, only non-traditional manufacturing and knowledge-intensive service industry displayed increase.

In 2006, the proportion of middle consumption reached 60.75% with the soaring rise of international raw materials, leading to the result that the value-added rate of the entire industry and commence dropped to 39.35%, with a reduction of 2.77 percentage point as against that of 2001. However, since the non-traditional manufacturing been aggressive to conduct international deployment, it effectively lowered middle consumption, and the for last five years the value-added rate increased 6.17 percentage point, while the value-added rate of knowledge-intensive service industry also increased 3.83%. It shows that technical industry with professional knowledge was more likely to create higher benefit in knowledge-economy.

▲The profit of industry and commerce was 7.23%, while the industrial sector was higher than service sector by 1.27 percentage point.

In 2006, the profit rate of the industry and commerce was 7.23%, enhanced by 2.30 percentage point as against 4.93% of 2001. Among them, the profit rate of the industrial sector was doubled reaching 7.87%, and 6.6% for the service sector; as for the change range of profit rate in each of the trade, it was found that Real Estate industry increased 7.63 percentage point, being the most of all, seconded by the Construction as 5.29 percentage point, and trailed by the Manufacturing as 4.57 percentage point.

6. Operation mode of industry and commerce

▲Nearly 40% of the industrial and commercial enterprises implemented of internal management with electronic information, while nearly 200,000 enterprises made use of electronic business.

By the end of 2006, the number of enterprises with the industry and commerce using computer information system to help with its internal management amounted to 440,064 or 39.82%. Among them, only 30% of the small-scale enterprises resorted to computer information system to help with the internal management, while there were as many as 196,350 enterprises or 17.77% of them made use of E-commerce, and only 12.11% of the small-scale enterprises made use of E-commerce. As viewed, the digitalization of small-scale enterprises remained in need to be upgraded.

▲The sales income of self-brand by Manufacturing, Wholesale and Retail Trade respectively amounted to 23.20% and 7.81% sales income (merchandise) of their products.

In 2006, the total sales amount with self-brand in Manufacturing, Wholesale and Retail Trade was NT$ 4 trillion 377.4 billion, and NT$876.4 billion respectively, and they reckoned about 23.20% and 7.81% of their product (merchandise) sales. As for the industries that managed their own brand, the investment of their year-round R & D amounted to NT$ 116.4 billion, NT$ 165.7 billion with marketing, which reckoned 39% and 53% of the entire Manufacturing and the Wholesale and Retail Trade. It shows that massive amount of resources needed for investment for brand management, leading to their profit rate as 6.57% and 4.29% lower than 8.02% and 4.92% of the entire Manufacturing and Wholesale and Retail Trade.

▲The proportion of overseas production by Manufacturing largely increased 27.10%, while non-traditional manufacturing was 48.31% much higher than the 4.68% of traditional manufacturing.

In 2006, the amount of overseas production by Manufacturing reached NT$ 5.3 trillion, and it increased NT$4.6 trillion for past five years. Besides, the proportion of overseas production increased from 7.35% in 2001 to 27.10%; among them, since the export business of manufacturing from non-traditional industry was increasing the proportion of overseas production was 48.31%, prominently higher than 4.68% of the traditional industry, reaching NT$4.9 trillion, and it was quite different from times before as traditional industry was relocating overseas. As affected by overseas production, the increased labor employment of Manufacturing was mainly for professional skill employees were more than 250,000 persons. However, computer, electronic product, and optical product manufacturing were industries found with fast oversea growth, but the employee employed for past five years increases only by 1.93% much lower than the growth as 10.43% of the entire Manufacturing.

▲One-fourth of the operating revenues of Manufacturing came from that of triangular trade.

In 2006, the income from the triangular trade of Manufacturing and Wholesale and Retail Trade reached NT$5 trillion and NT$899.2 billion, with NT$5 trillion and 483.4 billion in expenditures, thus the gross profit was NT$415.8 billion, with its gross profit rate as 7.05%. Among them, the income of triangular trade from the manufacturing was NT$4 trillion and 808.2 billion, amounting to 24.38% of the Manufacturing.

▲Long-term investment of industry and commerce was mostly overseas, while they were primarily large-scale non-traditional industry and knowledge- intensive service industry.

By the end of 2006, the amount of long-term investment by the industry and commerce reached NT$ 23 trillion and 352.2 billion, which amounted to 21.89% of the year-end value of assets used in operation , while NT$10 trillion and NT$539.2 billion was of long-term domestic investment and NT$ 12 trillion and NT$813 billion was of long-term overseas investment. The amount of long-term investment by the service sector was NT$ 19 trillion and NT$428.2 billion, while the investment with large-scale knowledge-intensive service industry amounts to 80%; besides, the amount of overseas long-term investment was double to that of domestic. As for the industrial sector, the amount of investment reached NT$ 3 trillion and NT$923.9 billion, and the Manufacturing amounted to 98.15%, most of all; among them, large-scale Manufacturing amounts as much as 70%, whereas the amount of overseas long-term investment by large-scale non-traditional industry exceeded more than double of the traditional industry.

7. Regional development of industry and commerce

▲The number of industrial and commercial establishments amounted the most in northern region, while the number of establishments increases the most in Kinmen-Matsu Area.

By the end of 2006, the number of industrial and commercial establishments in northern region reached 529,881, with an increase of 18.50% for past five years, and it was the most of all. In southern region, the number of establishments was 312,339 or there was an increase of 20.91%; in central region, the number of establishment was 286,975 or there was an increase of 19.49%. As for Kinmen-Matsu area, there was an increase of 23.70% as these two were as benefited from the direct link with China and tourism.

▲Science park showed booming development, and export processing zone showed stable growth.

In 2006, the three science parks as Hsinchu Science Park, Taichung Science Park, and Tainan Science Park, in total, attracted more than 530 manufacturing establishments, and employed as many as 185,000 employees, making use of NT$ 1 trillion and 708 billion tangible fixed assets and having created the total value as NT$ 1 trillion and 600.7 billion. In contrast to year 2001, there was prominent growth as 60.12%, 73.26%, 88.43%, and 161.24 % respectively. As for export processing zone that helped stimulate economic growth for last five years, since there was change with industrial structure, and though the number of venue establishment, employee hired, total value of production, and assets actually utilized displayed increase, the range was smaller than that of the science park and the development was turning more stable.

8. Industrial development

▲The growth of Semiconductor and Image-display industry developed fast.

For past five years, labor employment by Semiconductor and Image-display industry reached 158,000 persons, while tangible fixed assets newly invested amounted to NT$ 1.2 trillion, and the amount of total production increased NT$ 1.5 trillion, exceeding one-fourth of the increased amount of entire Manufacturing, being a fast growing industry.

▲The value-added rate of Information industry and Employment services was enhancing relatively faster.

For past five years, the increase of value-added rate from the Beverages Manufacturing, Electronic Parts and Components Manufacturing, Computer, Electronic and Optical Products Manufacturing reached 6 percentage point, which was relatively faster. In service sector, it increased 12 percentage point in Employment services, and the incarese for Building and Greenery services was the fastest.

(II) Comprehensive Analysis of Census Results

In 2001, our economic growth rate display negative growth by 2.17% as impacted by drastic economic recession internationally and also the bubble of network technology and 911 terrorist attacks. From 2001, we gradually left behind the economic shadow with the progressive economic recovery along with international economy, and the year-round growth rate was 4.64%. In 2001, when US-Iraq war and SARS was over, the power of recovery was turning strong, and the year-round economic growth rate was 3.50%. In 2004, our export demonstrated excellent achievement as of global economic expansion, and the year-round growth rate was 6.15%. In 2005, since the economy was under the influence of the slowing down of international economic expansion, and export as well as domestic production was with flat performance, its year-round growth as 4.16%. In 2006, since the economy was under the influence of bad debt from credit card and cash card, the ever maturing of telecom market, and slowing down of domestic consumption, the growth of service industry was much constrained. On the other hand, export and domestic production performed with outstanding results, and so the year-round growth was 4.8%. As a whole, the economic growth of our country from 2001 to 2007 retained at suitable growth, leading to each of the statistic results of 2006 census was with evident growth than that of 2001 census.

By the end of 2006, the number of industrial and commercial enterprise unit was 1,105,102, with an increase of 18.15% as against 2001 census. As a whole, they accepted about 7,549,912 persons engaged, with increase of 13.31% as against 2001 census. In addition, the actual assets utilized reached NT$106 trillion and 663.2 billion, with an increase of 38.82% as against 2001 census, and they created such total value of production worthy of NT$ 23 trillion and 934 billion, with an increase of 48.97% as against 2001 census. If we consider the three industries as Education, Residential Care Services, and Other Social Work Services as newly investigated in 2006 census, we can find that the growth rate of the previous four items disclosed slightly declined 15.97%, 11.00%, 38.12%, and 48.28%. It showed that though there was slight change with the proportion of 5-year growth of the entire information, the impact was not so phenomenal. In order to also see to the time series and indicate the comprehensiveness of 2001 census information, this report did not, regarding the change analysis of 2006 census and 2001 census, take out the previous three disclosed industries and they were still listed in this information analysis.

Hereby we explain and analyze the primary findings with regard to the structural development and change of all industries, their operation scale and efficiency, change of input and output, change of operation mode, and regional economic development as follows:

1. Changes of number of Enterprises/Establishments

(1) Change of number of enterprise units

▲For past five years, the unit number of enterprise increased 18.15%, with relatively higher growth rate than that of 2001 census.

By the end of 2006, the number of the entire industrial and commercial establishments reached 1,105,102, with an increase of 169,786 or 18.15%, and the range of increase was higher than 7.93% of 2001 census. Among them, the number of enterprise units of the service sector was 879,054, with an increase of 144,628 or 19.69%, amounting to 85.18% of the increase number of enterprises of all industries. The number of enterprise units of the industrial sector was 226,048 and though there was an increase of only 25,158 or 12.52% there has been already prominent growth as contrast to the negative growth as found in 2001 census.

Table 1. Change of enterprise units for past four censuses, by sector

Unit:Enterprise

By Sector	1991 census		1996 census		2001 census		2006 census	
	Enterprise (Number)	Diff. with prev.census (%)	Enterprise (Number)	Diff. with prev.census (%)	Enterprise (Number)	Diff. with prev.census (%)	Enterprise (Number)	Diff. with prev.census (%)
Grand Total	**738 914**	**20.95**	**866 573**	**17.28**	**935 316**	**7.93**	**1 105 102**	**18.15**
Industrial Sectors	167 656	29.37	205 907	22.82	200 890	-2.44	226 048	12.52
Service Sectors	571 258	18.68	660 666	15.65	734 426	11.16	879 054	19.69

Table 2. Number of enterprise units in all industries, by the scale of operating revenues

Unit:Enterprise

By the scale of operating revenues	End of 2006		End of 2001		Change (%)
	Enterprise	Distribution(%)	Enterprise	Distribution(%)	
Grand Total	**1 105 102**	**100.00**	**935 316**	**100.00**	**18.15**
Under NT$5,000,000	747 367	67.63	621 107	66.41	20.33
NT$5,000,000～NT$10,000,000	141 753	12.83	131 358	14.04	7.91
NT$10,000,000～NT$40,000,000	148 551	13.44	130 876	13.99	13.51
NT$40,000,000～NT$100,000,000	36 885	3.34	29 904	3.20	23.34
NT$100,000,000～NT$500,000,000	23 848	2.16	17 505	1.87	36.24
NT$500,000,000 & Over	6 698	0.61	4 566	0.49	46.69
Industrial Sectors	**226 048**	**20.45**	**200 890**	**21.48**	**12.52**
Under NT$5,000,000	105 882	9.58	100 532	10.75	5.32
NT$5,000,000～NT$10,000,000	41 202	3.73	38 427	4.11	7.22
NT$10,000,000～NT$40,000,000	52 930	4.79	39 944	4.27	32.51
NT$40,000,000～NT$100,000,000	12 929	1.17	11 497	1.23	12.46
NT$100,000,000～NT$500,000,000	9 740	0.88	8 051	0.86	20.98
NT$500,000,000 & Over	3 365	0.30	2 439	0.26	37.97
Service Sectors	**879 054**	**79.55**	**734 426**	**78.52**	**19.69**
Under NT$5,000,000	641 485	58.05	520 575	55.66	23.23
NT$5,000,000～NT$10,000,000	100 551	9.10	92 931	9.94	8.20
NT$10,000,000～NT$40,000,000	95 621	8.65	90 932	9.72	5.16
NT$40,000,000～NT$100,000,000	23 956	2.17	18 407	1.97	30.15
NT$100,000,000～NT$500,000,000	14 108	1.28	9 454	1.01	49.23
NT$500,000,000 & Over	3 333	0.30	2 127	0.23	56.70

▲For past five years, the number of industrial and commercial enterprises with more than NT$40 million of operating revenues was with faster growth rate.

For past five years, each operating revenues scale regarding the number of enterprise units showed growth. Among them, those with scale over NT$40 million increased 15,456 or 29.74%, and their proportion increased from 5.56% by the end of 2001 to 6.10%. As for those that were less than NT$5 million, since there was entry of small-scale manufacturers, the growth reached 20%, and their proportion increased from 66.41% by the end of 2001 to 67.63%, with an increase of 1.22% for past five years.

If we observe these two major sectors, those that were less than NT$40 million from industrial sector amounted to 88.48% of the sector, much lower than 95.29% of the service sector; however, those that were higher than NT$100 million amounted to 5.80%, much higher than 1.98% of the service sector. Besides, if we view about the 5-year change trend, the growth rate of each scale was higher than that of the industrial sector, aside from those that were higher than NT$ 10 million but less than NT$ 40 million, and it was most prominent with those that were higher than NT$ 500 million, with 56.7% as the highest.

▲For past five years, the number of industrial and commercial enterprises less than five persons engaged increased 19.55% with faster growth.

For past five years, the number of enterprise units for different of persons engaged scale showed growth, and those that were less five persons increased 140,806 or were found with 19.55% increase as there were quite a many new enterprises, being with the fastest growth, amounting to an increase of 0.91 percentage point to the proportion of all industries. As for those that were with more than 500 persons engaged, they increased 144 or 15.7% as of expanded scale of operation, being second in the row, and its proportion was the same as that of 2001. For enterprise with 5 to 29 persons engaged, they increased 27,745 or 14.79%, with a mild decrease of 0.57 percentage point in proportion.

If we observe these two major sectors, the number of enterprise units among industrial sector with persons engaged less than 29 or more than 500 persons increased than those in 2001, only those that were more than 30 and less 500 persons showed a declining trend for past five years, showing the scale of enterprise was heading towards polarized development. On the other hand, the enterprise from 5 to 29 persons grew by 24.67%, leading to the result that enterprise less than 29 persons increased 1.17 percentage point in proportion of the sector as contrast to that of 2001. As for service sector, the number of enterprise unit of individual scale showed growing trend, and enterprise with more than 50 persons, as a whole, increased more than 16%, especially those from 200 to 499 persons they grew the fastest by 26.57% for past five years, mainly because of the result with the Support Services that grew fast.

(2) Change of the number of establishment units

▲For past five years, the number of establishments increased 19.23%.

By the end of 2006, the number of the entire industrial and commercial establishments totaled 1,158,362, with increase of 186,862 or 19.23%, and that was an increase of range by 8.59% as against 2001 census. Among them, the there were 529,881 in northern region, which amounted to 45.74% of the number of the entire industrial and commercial establishments, still retaining itself as the primary area of concentration. It was second by southern region with 312,339, while there were only 3,231, numbering the least. However, with the implementation of direct link and active promotion of tourism policy, the growth of industrial and commercial establishments reached 23.70% for past five years, reckoning as the top among all others. As for the number of industrial and commercial establishments in central and southern region, the growth rate was respectively as 19.49% and 20.91%, surpassing 18.50% in northern region.

▲The number of establishments as amounted by service sector reached nearly 80% of all industries, with an increase of 21.37% for past five years, while its range of increase was about double to that of the industrial sector.

By the end of 2006, the number of establishment units among industrial sector was 232,299, with a growth of 11.43% for past five years. As for service sector, the number of establishment units was 926,063, with an increase of 21.37% for past five years, and the number of establishment units of the two accounted for 20.05% and 79.95% of all industries. Among economic zones, since the eastern region was rich natural resources of sightseeing, the proportion of number of service sectors establishments was 87.74%, reckoned as the top of all. As for central region that was always noted for its concentration of traditional industry, its proportion of number of service sectors establishments was 73.49%, being the lowest of all.

Table 3 Number of enterprise units in all Industries, by the scale of persons engaged

Unit:Enterprise

By the scale of persons engaged	Year-end of 2006		Year-end of 2001		Change
	Enterprise	Distribution(%)	Enterprise	Distribution(%)	(%)
Grand Total	**1 105 102**	**100.00**	**935 316**	**100.00**	**18.15**
Under 5 persons	860 966	77.91	720 160	77.00	19.55
5 persons～29 persons	215 283	19.48	187 538	20.05	14.79
30 persons～49 persons	13 310	1.20	13 051	1.40	1.98
50 persons～199 persons	12 609	1.14	11 925	1.27	5.74
200 persons～499 persons	1 875	0.17	1 727	0.18	8.57
500 persons & Over	1 059	0.10	915	0.10	15.74
Industrial Sectors	**226 048**	**20.45**	**200 890**	**21.48**	**12.52**
Under 5 persons	125 234	11.33	116 287	12.43	7.69
5 persons～29 persons	84 910	7.68	68 109	7.28	24.67
30 persons～49 persons	7 122	0.64	7 565	0.81	-5.86
50 persons～199 persons	7 213	0.65	7 403	0.79	-2.57
200 persons～499 persons	1 051	0.10	1 076	0.12	-2.32
500 persons & Over	518	0.05	450	0.05	15.11
Service Sectors	**879 054**	**79.55**	**734 426**	**78.52**	**19.69**
Under 5 persons	735 732	66.58	603 873	64.56	21.84
5 persons～29 persons	130 373	11.80	119 429	12.77	9.16
30 persons～49 persons	6 188	0.56	5 486	0.59	12.80
50 persons～199 persons	5 396	0.49	4 522	0.48	19.33
200 persons～499 persons	824	0.07	651	0.07	26.57
500 persons & Over	541	0.05	465	0.05	16.34

Table 4 Number of establishment units in all industries, by area

2006

By Area	Year-end number of establishment units						The structural ratio of the number of establishment units by year-end		
	Total		Industrial Sectors		Service Sectors		Total	Industrial Sectors	Service Sectors
	(Number)	Diff. w. the end of 2001 (%)	(Number)	Diff. w. the end of 2001 (%)	(Number)	Diff. w. the end of 2001 (%)	(%)	(%)	(%)
Grand Total	**1 158 362**	**19.23**	**232 299**	**11.43**	**926 063**	**21.37**	**100.00**	**20.05**	**79.95**
Taiwan Area	**1 155 131**	**19.22**	**231 852**	**11.35**	**923 279**	**21.38**	**100.00**	**20.07**	**79.93**
Northern Region	529 881	18.50	97 652	10.32	432 229	20.53	100.00	18.43	81.57
Central Region	286 975	19.49	76 091	11.22	210 884	22.78	100.00	26.51	73.49
Southern Region	312 339	20.91	54 928	13.61	257 411	22.59	100.00	17.59	82.41
Eastern Region	25 936	11.48	3 181	8.53	22 755	11.91	100.00	12.26	87.74
Kinmen-Matsu Area	**3 231**	**23.70**	**447**	**67.42**	**2 784**	**18.72**	**100.00**	**13.83**	**86.17**

(3) Survival rate of the industry and commerce

▲By the end of 2006, the survival rate of the industrial and commercial enterprises with more than 5-year operation reached 72.68%, while the survival rate of large-scale enterprise was 93.55% which was higher that of the medium- and small-scale enterprise.

By the end of 2006, the survival rate of enterprise with more than five-year operation reached 72.68%, increasing 3.27 percentage point as contrast to 69.41% in 2001 census, and the stability of industrial economy system or labor was gradually enhanced. If we observe from the scale of enterprise, the survival rate of large-scale enterprise was 93.55%, medium-scale enterprise 80.48%, and small-scale enterprise 70.45%, showing that the survival rate increased as the scale of enterprise expanded. While the entry and exit of small-scale enterprise was more than frequent with the lowest survival rate, yet showed the flexibility and diversification of its operation.

As we further observe the industrial sector and service sector, the survival rate of enterprise from the industrial sector with more than five years of operation was 79.48%, increased 7.15 percentage point as against 72.33% of 2001 census, because the increased survival rate was mainly with the upgrading of the Manufacturing. The survival rate of the service sector was 70.82%, increased 2.33 percentage point as against 68.49% of 2001 census. But its increase was not as good as that in the industrial sector because it was of non-knowledge intensive service industry, such as the frequent entry and exit of small-scale

Food Services, and the impact with the exit of taxi passenger transportation from Transportation and Storage.

▲The survival rate of Manufacturing with traditional industry was higher than that of the non-traditional industry; the survival rate of knowledge-intensive service industry was higher than that of the non-knowledge intensive mode.

For entire industrial sector, if we view from the major industry of the Manufacturing, the constitution of the Manufacturing with traditional industry (such as mainly with livelihood, chemical and metallic machinery industry) tended to sound. Moreover, Manufacturing with non-traditional industry (mainly with information and electronic industry) faced to global industrial competition, and the change of small-scale enterprise was most frequent while the management of large-scale enterprise was rather stable. As a result, the survival rate of enterprise with more than 5-year operation from Manufacturing with traditional industry was 82.73%, much higher than 76.05% of the non-traditional industry.

If Finance and Insurance, Information and telecommunications, Professional Scientific and Technical Services of the service sector are categorized as knowledge-intensive service industry, it would then build up entry barrier for innovative intellectual property rights or knowledge monument of knowledge-intensive service industry. On the other hand, if their competitive advantage can be enhanced and obtain optimal management niche, their survival rate can be increased to 87.49%, prominently higher than 68.92% of non-knowledge intensive service industry.

Table 5 The number of enterprise units in all industries, by their establishment period, enterprise scale, and sector

Unit:Enterprise

Classification by enterprise scale and sector	Year-end of 2006				Year-end of 2001 ②	Survival rate ③ =①/②＊100 (%)	Exit rate 100-③ (%)
	Total	2001 and before ①	2002～2005	2006			
Grand Total (Overall Average)	**1 105 102**	**679 795**	**322 279**	**103 028**	**935 316**	**72.68**	**27.32**
Classification by enterprise scale							
Large-scale enterprise	8 397	6 735	1 472	190	7 199	93.55	6.45
Medium-scale enterprise	223 129	154 319	56 570	12 240	191 754	80.48	19.52
Small-scale enterprise	873 576	518 741	264 237	90 598	736 363	70.45	29.55
Industrial Sectors	**226 048**	**159 676**	**51 228**	**15 144**	**200 890**	**79.48**	**20.52**
Large-scale enterprise	1 642	1 531	102	9	1 589	96.35	3.65
Medium-scale enterprise	94 416	72 605	18 243	3 568	80 114	90.63	9.37
Small-scale enterprise	129 990	85 540	32 883	11 567	119 187	71.77	28.23
Service Sectors	**879 054**	**520 119**	**271 051**	**87 884**	**734 426**	**70.82**	**29.18**
Large-scale enterprise	6 755	5 204	1 370	181	5 610	92.76	7.24
Medium-scale enterprise	128 713	81 714	38 327	8 672	111 640	73.19	26.81
Small-scale enterprise	743 586	433 201	231 354	79 031	617 176	70.19	29.81
By Sector							
Manufacturing Sector	**148 017**	**115 976**	**25 987**	**6 054**	**141 376**	**82.03**	**17.97**
Traditional	132 982	104 719	22 876	5 387	126 573	82.73	17.27
Non-traditional	15 035	11 257	3 111	667	14 803	76.05	23.95
Service Sectors	**879 054**	**520 119**	**271 051**	**87 884**	**734 426**	**70.82**	**29.18**
Knowledge-intensive	113 682	65 695	36 774	11 213	75 089	87.49	12.51
Non- knowledge-intensive	765 372	454 424	234 277	76 671	659 337	68.92	31.08

Note:1. **Large-scale enterprise** : Refes to Manufacturing, Construction, Mining and Quarrying employing more than 200 persons; the remained industries employing more then 50 persons.

2. **Small-scale enterprise**: Refers to the enterprise employing less than 5 persons, or self-employed without employing persons, and the enterprise of dependent workers without compensation less than 5 persons.
3. **Medium-scale enterprise**: Refer to enterprises neither large nor small.
4. **"Traditional"** Manufacturing covers manufacturing for foods, tobaccos, textiles, wearing apparels and clothing accessories, leather and fur products, wood and bamboo products, pulp, paper and its products, printing and recorded media reproduction, petroleum and coal products, chemical materials and products, medical goods, rubber products, plastic products, non-metallic mineral products, basic metals, metal products, machinery and equipments, motor vehicles and their parts, other transport equitments, furnitures, others not classified, and repair and installation of industrial machinery and equipments.
5. **"Non-traditional"** Manufacturing covers manufacturing for electronic parts and components, computer, electronic and optical products, electrical equipments.
6. **"Knowledge-intensive"** Services covers merchandise brokers, postal services, telecommunications, computer systems design services, web portals, data processing, hosting and related services, financial and insurance, professional scientific and technical services(excl. veterinary services), support services(excl. travel agencies), education, human health services.
7. **"Non- knowledge-intensive"** Services＝Service sectors –"Knowledge-intensive" services。

2. Utilization of resource inputs

(1) Manpower input

1. Persons engaged

▲For past five years, persons engaged increased 13.31% with drastic increase as against the growth of 2001 census.

By the end of 2006, the number of persons engaged of all industries was 7,549,912, with an increase of 886,562 persons or 13.31% increase, and the increase was higher than the growth of 1.16% of 2001 census. If we observe from enterprise scale, the number of persons engaged of medium-scale enterprise was 3,193,155, amounting to 42.29% of the entire persons engaged, and was the top among various scales. It was second by large-scale enterprise with 2,800,194 persons, but with an increase of 17.76% for past five years, being the fastest of all.

As we further observe from the industrial and service sector, we can find that the latter was still the major sector that taken in the greatest number of working population, and the number of persons engaged was 4,309,646, amounting to 57.08%. For past five years, it increased 593,947 or 15.98%, amounting to 66.99% of the increased number of persons of all industries. Among them, the development of knowledge-intensive service industry got most fast with an increase of 321,016 persons, being the most of all as the industrial structure of service industry was heading towards upgrading. As for the persons engaged of industrial sector, since the Manufacturing with traditional industry was relocating for past two censuses, the number of persons engaged displayed reduction, while there was an increase of 292,615 persons in 2006 census. Among them, there was an increase of 269,193 persons with the Manufacturing, being the most of all. Since the Manufacturing with non-traditional industry as optoelectronic industry expanded fast, its persons engaged increased 189,394 as against that of 2001 census, being the largest increase of all. Meanwhile, since the Manufacturing with traditional industry gradually stabilized, its persons engaged also increased 79,799 or with an increase of 4.56% as against that of 2001 census.

▲By the end of 2006, officers (supervisor and professional & technical personnel) amounted to 31.69% of the employees hired, with an increase of 4.88 percentage point as against 2001 census.

As observed from last four censuses, the proportion of officers(supervisor and professional & technical personnel) employment gradually increased from 22.92% of 1991 census to 31.69% of 2006 census, which also increased 4.88 percentage point as against that of 2001 census. Among them, the proportion of number of persons engaged (supervisor and professional & technical personnel) in large-scale enterprise as 33.54% was considered the highest, especially those large-scale enterprises from the industrial sector that rely relatively heavily on export as there was an increase of 6.99 percentage point for past five years, topping various other scales. As for medium- and small-scale enterprises, there were respective increase of 5.23 and 7.22 percentage point for past five years, showing that each enterprise coped to conduct adjustment with the change of production mode and work force structure.

As we observe from the industrial and service sector, the proportion of persons engaged from the industrial sector was 35.56%, with an increase of 6.64 percentage point for past five years. Among them, the proportion of persons engaged of the Manufacturing with non-traditional industry was 44.38%, with an increase of 8.64 percentage point as against that of 2001 census; the proportion of persons engaged of Manufacturing with traditional industry was 32.69%, with an increase of 5.2 percentage point for past five years. The proportion of supervisor and professional and technical personnel from the service sector was 28.41%, with an increase of 3.63 percentage point for past five years. While the proportion of supervisor and professional & technical personnel from knowledge-intensive service industry was 33.28%, slightly higher, and there was only an increase of 0.84 percentage point for past five years, which was lower than the increase of 4.55 percentage point percentage point as found with non-knowledge intensive service industry.

Table 6 Number of persons engaged for last four censuses, by enterprise scale and sector

Unit:Person

Classification by enterprise scale and sector	1991 census		1996 census		2001 census		2006 census	
	Number of persons	Comparison against last census (%)	Number of persons	Comparison against last census (%)	Number of persons	Comparison against last census (%)	Number of persons	Comparison against last census (%)
Grand Total	**5 864 812**	**13.50**	**6 587 172**	**12.32**	**6 663 350**	**1.16**	**7 549 912**	**13.31**
Classification by enterprise scale								
Large-scale enterprise	1 961 090	4.26	2 098 107	6.99	2 377 954	13.34	2 800 194	17.76
Medium-scale enterprise	2 823 268	18.15	3 182 759	12.73	2 868 615	-9.87	3 193 155	11.31
Small-scale enterprise	1 080 454	20.44	1 306 306	20.90	1 416 781	8.46	1 556 563	9.87
Industrial Sectors	**3 194 737**	**0.35**	**3 135 365**	**-1.86**	**2 947 651**	**-5.99**	**3 240 266**	**9.93**
Large-scale enterprise	1 082 835	-15.74	972 055	-10.23	1 016 561	4.58	1 161 796	14.29
Medium-scale enterprise	1 904 622	9.43	1 893 255	-0.60	1 673 348	-11.62	1 768 276	5.67
Small-scale enterprise	207 280	30.91	270 055	30.29	257 742	-4.56	310 194	20.35
Service Sectors	**2 670 075**	**34.59**	**3 451 807**	**29.28**	**3 715 699**	**7.65**	**4 309 646**	**15.98**
Large-scale enterprise	878 258	47.39	1 126 052	28.21	1 361 393	20.90	1 638 398	20.35
Medium-scale enterprise	918 651	41.51	1 289 504	40.37	1 195 267	-7.31	1 424 879	19.21
Small-scale enterprise	873 166	18.20	1 036 251	18.68	1 159 039	11.85	1 246 369	7.53
By Sector								
Manufacturing Sector	**2 665 071**	**-3.03**	**2 523 916**	**-5.30**	**2 426 791**	**-3.85**	**2 695 984**	**11.09**
Traditional	2 164 284	-3.62	1 972 338	-8.87	1 749 391	-11.30	1 829 190	4.56
Non-traditional	500 787	-0.36	551 578	10.14	677 400	22.81	866 794	27.96
Service Sectors	**2 670 075**	**34.59**	**3 451 807**	**29.28**	**3 715 699**	**7.65**	**4 309 646**	**15.98**
Knowledge-intensive	607 600	54.57	840 543	38.34	965 695	14.89	1 286 711	33.24
Non-knowledge-intensive	2 062 475	29.66	2 611 264	26.61	2 750 004	5.31	3 022 935	9.92

Table 7 Structure of person employment for last four censuses, by enterprise scale and sector

Unit:%

Classification by enterprise scale and sector	1991 census		1996 census		2001 census		2006 census	
	Officers (supervisor & tech.)	Workers (non-superv. & non- tech.)	Officers (supervisor & tech.)	Workers (non-superv. & non- tech.)	Officers (supervisor & tech.)	Workers (non-superv. & non- tech.)	Officers (supervisor & tech.)	Workers (non-superv. & non- tech.)
Overall Average	**22.92**	**77.08**	**24.04**	**75.96**	**26.81**	**73.19**	**31.69**	**68.31**
Classification by enterprise scale								
Large-scale enterprise	23.84	76.16	26.46	73.54	29.71	70.29	33.54	66.46
Medium-scale enterprise	22.45	77.55	22.17	77.83	25.23	74.77	30.46	69.54
Small-scale enterprise	21.91	78.09	25.26	74.74	22.99	77.01	30.21	69.79
Industrial Sectors	**23.13**	**76.87**	**24.14**	**75.86**	**28.92**	**71.08**	**35.56**	**64.44**
Large-scale enterprise	25.45	74.55	29.39	70.61	35.24	64.76	42.23	57.77
Medium-scale enterprise	22.13	77.87	22.10	77.90	25.65	74.35	31.98	68.02
Small-scale enterprise	18.57	81.43	17.45	82.55	23.67	76.33	28.73	71.27
Service Sectors	**22.62**	**77.38**	**23.93**	**76.07**	**24.78**	**75.22**	**28.41**	**71.59**
Large-scale enterprise	21.86	78.14	23.94	76.06	25.58	74.42	27.38	72.62
Medium-scale enterprise	23.13	76.87	22.27	77.73	24.65	75.35	28.55	71.45
Small-scale enterprise	23.28	76.72	28.56	71.44	22.71	77.29	30.70	69.30
By Sector								
Manufacturing Sector	**23.90**	**76.10**	**24.95**	**75.05**	**29.83**	**70.17**	**36.53**	**63.47**
Traditional	23.17	76.83	24.05	75.95	27.49	72.51	32.69	67.31
Non-traditional	26.96	73.04	28.09	71.91	35.74	64.26	44.38	55.62
Service Sectors	**22.62**	**77.38**	**23.93**	**76.07**	**24.78**	**75.22**	**28.41**	**71.59**
Knowledge-intensive	26.32	73.68	30.58	69.42	32.44	67.56	33.28	66.72
Non- knowledge-intensive	21.26	78.74	21.37	78.63	21.40	78.60	25.95	74.05

Note: To result statistics with 'employed labor category' in census forms, 'officer' and 'worker' are categorized for industrial sectors, 'supervisor and professional/technical' and 'non-supervisor and non-professional/non-technical' are categorized for service sectors.

▲The proportion of officers hired from the Manufacturing with non-traditional industry as hired amounted to 44.38%, while enterprises that conduct its own R & D and design and outsourcing production amounted even as high as 72.69%.

By the end of 2006, the officers (or staffs) hired by Manufacturing was 960,878, amounting to 36.53% of staff hired by the sector, which increased 6.7 percentage point as against to that of 2001 census. Among them, the proportion of officers hired by Manufacturing with traditional industry was 32.69%, with an increase of 5.2 percentage point as against to the end of 2001; meanwhile, Manufacturing with non-traditional industry increased 8.64 percentage point, reaching 44.38%. As we observe from the primary mode of operation, the operation mode that conducts own R & D and design with outsourcing production had higher proportion of employee utilization than other mode of operation because it would make use of massive amount of R & D and management professionals. However, the proportion of labor employment in Manufacturing with non-traditional and traditional industry was respectively as high as 72.69% and 60.61%. It indicates that domestic manufacturing still retains dominant position in terms of R & D, finance, and marketing during the time of internationalization as it exploits global resources, turning the operation headquarters of Taiwan into the management and decision making center as well as the highest command of value creation.

Table 8 Number of person employment in manufacturing, by industry and primary mode of operation

End of 2006 Unit:Person

By industry and primary mode of operation	Total	Officers			Workers		
		Number of persons	Proportion as amounted to the person employed (%)	Diff. w. that of 2001	Number of persons	Proportion as amounted to the person employed (%)	Diff. w. that of 2001
Grand Total	**2 630 078**	**960 878**	**36.53**	**6.70**	**1 669 200**	**63.47**	**-6.70**
Traditional	**1 765 609**	**577 203**	**32.69**	**5.20**	**1 188 406**	**67.31**	**-5.20**
Manufacturing	1 542 576	493 372	31.98	4.06	1 049 204	68.02	-4.06
Repair & Maintenance	34 875	12 937	37.10	2.61	21 938	62.90	-2.61
Processing for others	126 429	33 481	26.48	5.55	92 948	73.52	-5.55
Manufacture outsourcing with self-drven R&D and design	61 729	37 413	60.61	-	24 316	39.39	-
Non-traditional	**864 469**	**383 675**	**44.38**	**8.64**	**480 794**	**55.62**	**-8.64**
Manufacturing	657 577	253 812	38.60	2.26	403 765	61.40	-2.26
Repair & Maintenance	-	-	-	-	-	-	-
Processing for others	50 240	15 987	31.82	8.12	34 253	68.18	-8.12
Manufacture outsourcing with self-drven R&D and design	156 652	113 876	72.69	-	42 776	27.31	-

2. Utilization of dispatch labor

▲The industry and commerce, as an average, made use of about 114,000 dispatched manpower, and the Manufacturing was the most.

With the pace of globalization as well as fast change of industrial structure, enterprise geared to enhance their organizational flexibility in order to increase their competitiveness, while the pursuit for optimal cost control and flexible utilization of workforce gradually become the important philosophy of management, and non-typical employment of dispatch manpower thus brought forth. By the end of 2006, a total of 7,792 enterprises from all industries resorted to dispatch labor, with an average of dispatch labor of 114,506 persons employed per month, amounting to 1.68% of the labor employment, and the expenditures for dispatch for the year was nearly NT$26 billion. Among which there was 13.39% of the large-scale enterprise resorted to dispatch labor, with an average of dispatch labor of 71,838 persons employed per month, amounting to 2.57% of the labor employment. As for small-scale enterprise, though the number of dispatch labor they employ per month was less than that of large- and medium-scale enterprise the proportion of labor employment as 1.4% was higher than that of the medium-scale enterprise, as the second in the row. As we observe these two major sectors, the industrial sector employed 60,550 persons, relatively higher than 53,956 persons as hired by the service sector. Among them, the Manufacturing employed 47,065 persons, reckoned as the most of all; in addition, the Manufacturing with the non-traditional industry employed 25,555 persons per month, considered as relatively more, and it amounted to 2.96% of its labor employment. The non-knowledge intensive service industry from the service sector hired 28,519 persons, higher than 25,437 persons as hired by the knowledge-intensive service mode, but its proportion of labor employment only amounts to 1.16%, lower than 2.05% as found in knowledge-intensive mode.

Table 9 Utilization of dispatch labor by all industries, by enterprise scale and sector

2006

Classification by enterprise scale and sector	Year-end number of enterprise units ① (Number)	Utilization of dispatch labor: Number of enterprise ② (Number)	②/①*100 (%)	Number of dispatch laborers utilized averagely per month (Person)	Proportion of this number to persons employed (%)	Year-round expenditures for dispatch labor (NT$Million)	Proportion of this expenditures to all expenditures (%)
Grand Total (Overall Average)	**1 105 102**	**7 792**	**0.71**	**114 506**	**1.68**	**25 986**	**0.06**
Classification by enterprise scale							
Large-scale enterprise	8 397	1 124	13.39	71 838	2.57	19 892	0.07
Medium-scale enterprise	223 129	3 665	1.64	30 454	0.96	5 069	0.04
Small-scale enterprise	873 576	3 003	0.34	12 214	1.40	1 025	0.03
Industrial Sectors	**226 048**	**3 254**	**1.44**	**60 550**	**1.93**	**12 932**	**0.06**
Large-scale enterprise	1 642	416	25.33	37 906	3.26	9 731	0.07
Medium-scale enterprise	94 416	1 808	1.91	17 589	1.00	2 887	0.05
Small-scale enterprise	129 990	1 030	0.79	5 055	2.33	314	0.07
Service Sectors	**879 054**	**4 538**	**0.52**	**53 956**	**1.46**	**13 053**	**0.06**
Large-scale enterprise	6 755	708	10.48	33 932	2.07	10 160	0.08
Medium-scale enterprise	128 713	1 857	1.44	12 865	0.92	2 182	0.04
Small-scale enterprise	743 586	1 973	0.27	7 159	1.09	711	0.03
By Sector							
Manufacturing Sector	**148 017**	**1 695**	**1.15**	**47 065**	**1.79**	**11 453**	**0.06**
Traditional	132 982	1 201	0.90	21 510	1.22	4 928	0.05
Non-traditional	15 035	494	3.29	25 555	2.96	6 526	0.07
Service Sectors	**879 054**	**4 538**	**0.52**	**53 956**	**1.46**	**13 053**	**0.06**
Knowledge-intensive	113 682	1 441	1.27	25 437	2.05	7 159	0.10
Non- knowledge-intensive	765 372	3 097	0.40	28 519	1.16	5 894	0.04

3. Contribution of the industry and commerce to employment

▲For past five years, the electronic parts & components manufacturing and employment services of industrial and service sector increased with the greatest number of employment opportunity.

As we view from the top 10 subsectors of the industrial sector with increased persons engaged for past five years, the number of enterprise for electronic parts and components manufacturing only increased 386 as against to that of 2001 census. However, since the enterprises competed for expansion as aggressively stimulated by the optoelectronic industry of semiconductor and flat display, their persons engaged increased 186,785 or 52.35%. As such, it not only become the primary strength of growth for Manufacturing, but also topped the rest of others, and its total value of production in 2006 increased NT$1.7 trillion or 112.38%, reaching NT$ 3 trillion and NT$277.9 billion, amounting to 21.14% of the total production of the entire industrial sector. As for specialized Construction, the number of enterprises, with economic recovery of real estate, increased more than 19,000 for past five years, and the number of persons engaged increased 76,937, ranking second in the row, with its total value of production exceeding more than 50%. On the other hand, with the gradual warming-up of economy for steel and fundamental metals relevant industry prospered vigorously, and the number of persons engaged in the Fabricated Metal Products Manufacturing increased 55,557 for past five years, ranking the third in the row. The number of persons engaged in Basic Metal Manufacturing increased 11,740, though ranking sixth in the row, the growth was massive and reached 139.91% because the total value of production increased as of soaring product price.

As we observe the service sector, number of enterprises for Employment Services grew tremendously as 190.99% along with the rise of dispatch labor, reaching 2,357 enterprises, and the persons engaged increased 69,719, topping all rest of the service sector. Besides, the number of Food and Beverage Services increased 25,300 enterprises for past five years as affected by population growth and leisure and travel, and the number of persons engaged increased 65,409, ranking second in the row. For Human Health Services, since the population was aging and the general pubic was paying greater attention to health, it attracted massive amount of manpower into the trade, and there was an increase of 57,037 persons for past five years, ranking the third. In addition, real estate related industries provided more employment opportunity as real estate was recovering and the public had higher demand for life quality, including Buildings and Greenery Services to increase 34,152 persons, Security and Investigation Services to increase 29,436 persons, and Real Estate Operation and Relative Services to increase 20,647 persons.

Table 10 Number of persons engaged with faster growth of all industries, by subsector

By Subsector	Number of persons engaged, end of 2006 (Person)			Number of enterprise units, end of 2006 (Number)			Annual total value of production （NT$Million）		
	2006	2001	increment	2006	2001	increment	2006	2001	increment
Grand Total	**7 549 912**	**6 663 350**	**886 562**	**1 105 102**	**935 316**	**169 786**	**23 934 031**	**16 066 518**	**7 867 513**
Industrial Sectors	**3 240 266**	**2 947 651**	**292 615**	**226 048**	**200 890**	**25 158**	**15 502 853**	**9 552 939**	**5 949 914**
Top 10 subsectors in the increment of persons engaged									
Electronic Parts & Components Manufact.	543 607	356 822	186 785	5 680	5 294	386	3 277 875	1 543 420	1 734 455
Specialized Construction	309 821	232 884	76 937	57 498	38 016	19 482	544 731	355 989	188 742
Fabricated Metal Products Manufacturing	333 322	277 765	55 557	38 405	36 300	2 105	946 552	569 834	376 718
Machinery and Equipment Manufacturing	234 811	197 315	37 496	18 003	16 920	1 083	735 787	418 672	317 115
Motor Vehicles and Parts Manufacturing	92 942	77 606	15 336	3 422	2 863	559	397 247	267 726	129 521
Basic Metal Manufacturing	99 068	87 328	11 740	4 506	3 858	648	1 164 615	485 446	679 169
Ind.Machine. & Equip. Repair & Install.	36 976	25 272	11 704	3 818	2 428	1 390	82 097	36 617	45 480
Chemical Material Manufacturing	83 254	71 754	11 500	1 321	1 100	221	1 354 251	598 313	755 938
Food Manufacturing	106 716	98 829	7 887	5 847	5 619	228	373 946	299 997	73 949
Printing/Reprod. of Recorded Media	56 905	50 234	6 671	9 354	8 462	892	105 495	87 962	17 533
Service Sectors	**4 309 646**	**3 715 699**	**593 947**	**879 054**	**734 426**	**144 628**	**8 431 178**	**6 513 578**	**1 917 600**
Top 10 subsectors in the increment of persons engaged									
Employment Services	83 002	13 283	69 719	2 357	810	1 547	43 683	10 265	33 418
Food and Beverage Services	269 994	204 585	65 409	84 157	58 857	25 300	298 632	246 635	51 997
Human Health Services	277 070	220 033	57 037	21 538	19 712	1 826	535 819	437 397	98 422
Wholesale Trade	1 041 049	990 179	50 870	200 224	157 913	42 311	1 617 275	1 206 387	410 888
Retail Trade	848 875	805 620	43 255	289 793	280 250	9 543	933 174	700 303	232 871
Buildings and Greenery Services	58 130	23 978	34 152	4 362	2 675	1 687	37 379	21 520	15 859
Security and Investigation Services	64 127	34 691	29 436	542	358	184	39 479	29 551	9 928
Financial Intermediation	199 651	178 581	21 070	7 572	4 582	2 990	1 335 931	1 104 913	231 018
Real Estate Operation and Relative Services	51 845	31 198	20 647	8 042	4 405	3 637	111 826	56 388	55 438
Architecture and Engineering Services; Technical Testing and Analysis Services	41 630	26 962	14 668	5 886	3 194	2 692	94 636	61 689	32 947

4. Change of year-round labor compensation averagely for every person

▲For past five years, the increase of year-round labor compensation of every person gradually slowed down as an average.

As affected by the trend of globalization, domestic enterprise faced with greater and greater international competition, to cut down cost was its necessary measures, aside from actively facilitating R& D and strengthening marketing capability. Especially, enterprises are facing the cost advantage competition from the newly emerging countries, in addition to the trend of corporate merging, and the effect of lower salary with the newly recruited employee as state enterprise turned privatized. Therefore, the year-round labor compensation of every person averagely in 2006 was NT$ 541,054, with an increase of 7.52% for past five years, which was lower than 15.32% as found in 2001 census, showing the trend of slowing down. Among them, non- salary compensation, with the implementation of new labor retirement system, increased 2.57 percentage point to 12.25% in proportion as amounted to that of 2001 census. As we observe these two major sectors, the labor compensation of every person in the industrial sector averagely was NT$ 552,578, with an increase of 13.04% for past five years. As for service sector, since domestic demand was declining, it was under the influence of the capability of salary adjustment, and the growth increase of labor compensation was only 3.46% for every person averagely for past five years, being NT$532,383.

Table 11　Change of the year-round labor compensation for every person averagely for last four censuses

Year of census	All Sectors				Industrial Sectors Group				Service Sectors Group			
	Overall Average		Salary compen - sation	Non-salary compen - sation	Average		Salary compen - sation	Non-salary compen - sation	Average		Salary compen-sation	Non-salary compen-sation
	(NT$)	Com-parison against that of last census (%)	(%)	(%)	(NT$)	Com-parison against that of last census (%)	(%)	(%)	(NT$)	Com-parison against that of last census (%)	(%)	(%)
1991	288 285	71.70	92.33	7.67	285 273	68.36	92.34	7.66	291 889	76.44	92.33	7.67
1996	436 357	51.36	90.63	9.37	431 029	51.09	90.21	9.79	441 196	51.15	91.00	9.00
2001	503 203	15.32	90.32	9.68	488 863	13.42	89.24	10.76	514 580	16.63	91.14	8.86
2006	541 054	7.52	87.75	12.25	552 587	13.04	86.52	13.48	532 383	3.46	88.70	11.30

▲For past five years, Chemical Material Manufacturing in the industrial sector increase fastest of year-round labor compensation of every person averagely, and Securities, Futures and Other Financing increased fastest in the service sector.

The increase and decrease of labor compensation will mainly depend on the industrial development, enterprise system, productivity efficiency, and profit-making capability. For past five years, the economy was gradually recovering, and the profit-making rate of all industries increased 2.3 percentage point, labor productivity (total value of production by every person averagely) by 31.48%. As such, the labor compensation of every person averagely increased 7.52%, but the growth was far less than previous censuses mainly because the slow-down of domestic demands that affect the operation of relevant industry. For instance, the profit-rate of the service sector increased 0.57 percentage point for past five years, labor productivity by 11.58%, labor compensation for every person averagely by 3.46%, which was relatively lower than 4.35 percentage point, 47.61%, and 13.04% of the industrial sector.

As we observe these two sectors, the labor compensation of every person from Chemical Material Manufacturing averagely increased 23.09% for past five years, as the top one among other industries. It was mainly because the economy of petrochemical industry was recovering, and the plant of Sixth naphtha cracker was completed, leading to the result that labor force of the industry increased nearly 100%, while its profit rate also increased 10.10 percentage point. Besides, Computer, Electronic Products, and Optical products Manufacturing increased 22.44%, and it was mainly because the production relocated overseas while domestic product was transformed into the production model of R & D center, so that higher quality of talents were needed. As such, labor compensations increased accordingly, but profit rate demonstrated slight decline as there was fierce competition internationally regarding the management mode mainly with OEM. For Industrial Machinery and Equipment Repair and Installation, Basic Metal Manufacturing and Buildings Construction, the profit increased in folds for past five years, and labor compensation of every person averagely increased. For Securities, Futures and Other Financing of service sector, since financial transactions were vigorous, the operation been enhanced that the profit rate increased 3.43 percentage point to 22.09% for past five years, while labor compensation for every person averagely increased 29.44%, reckoned to top the service. Besides, the labor compensation of every person in the rest of the service sector, aside from the profit rate for Sport, Amusement and Recreation that declined 1.04 percentage point than that of 2001 census, enjoyed averagely higher increase of labor compensation for every person and the increase of profit rate was averagely higher than that of the entire service sector.

As we observe from the viewpoint of productivity, labor productivity of all industries (total value of production averagely of every person) increased 31.48%, higher than the increase of labor compensation as 7.52%. Among them, labor productivity of the industrial sector increased 47.61%, higher than the increase of labor compensation as 13.04%. As for service sector, its labor productivity increased 11.58%, also higher than the increase of labor compensation as 3.46%; however, for the increase of labor compensation among top 10 businesses, half of these businesses were with higher increase in labor compensation than labor productivity, which should exert negative impact on the enhancement of enterprise competitiveness. As for the top 10 businesses from the industrial sector, with labor compensation increase, only the labor compensation of Medical Goods Manufacturing and Remediation Services were higher than the increase of labor productivity.

5. Impact of oversea production on labor employment

▲Oversea production of Manufacturing in proportion to the operating revenues largely increased 19.75 percentage point, and the staff employed exceed as many as 250,000 persons, while the labor compensation of every person averagely increased 14.43%.

In 2006, the proportion of overseas production in Manufacturing amounted to 27.10% of the operating revenues, which was an increase of 19.75 percentage point against 7.35% of 2001, showing the obvious trend of domestic production line relocating. However, the persons employed at the same time increased 248,425 or by 10.43%, while 250,000 more persons were employed to strengthen our R& D and design, global operation and management, and technical skill, showing that enterprise was having increased demand for professional manpower. In addition, the year-round labor compensation for every person was averaged NT$555,000, which increased 14.43% as against NT$485,000 of 2001, an increase clearly higher than all industries.

▲The proportion of oversea production among Computer, Electronic products, and Oversea Products Manufacturing reacheed 73.45%, and for past five years it increased 55.68 percentage point, while the amount of total revenues increased NT$279.1 billion or 28.19 %, but persons employed only increased 3,778 or 1.93%.

As we observe from the trade with faster growth in terms of proportion with overseas production, Computer, Electronic Products, and Oversea Products Manufacturing increased 55.68 percentage point for past five years, being the fastest of all, reaching 73.45%, and the total value of production reached NT$1.3 trillion, with an increase of 28.19%, while oversea production already become its primary mode of operation. However, with production line relocated, the person employed for past five years only increased 3,778 or by 1.93%, obviously lower than the average increase of 10.43% in Manufacturing. As for the proportion of staff, it increased from 38.09% in 2001 to 54.79% in 2006, and the year-round labor compensation for every person averagely was NT$673,000, with an increase of 22.36% as against that of 2001. It shows that when enterprises deploy internationally, Taiwan remains the center for focused manufacturing process, R & D, purchase, order reception of most enterprises, and the demand for professional manpower will become more urgent along with business growth. The rest as power equipment manufacturing and other manufacturing demonstrated evident growth of their total value of production and overseas production too. On the other hand, there was increased employment with professional staff in the country to make up for the loss of production line employee so that there was still some mild growth with the entire persons.

For past five years, the growth of total value of production for Electronic Parts and Components Manufacturing exceeded by 100%, reaching NT$ 3.3 trillion, and though the proportion of oversea production increased 10.19 percentage point, persons employed increased 186,488. The year-round labor compensation for every person in 2006 was averagely NT$625,000, with an increase of 14.89% as against that of 2001. It benefited from Semiconductor Manufacturing, Optoelectronic Material and Components Manufacturing, and they booming development as of the policy support from the government, with as many as nearly 160,000 persons working with the industry.

For past five years, the proportion of oversea production for Wearing Apparel and Clothing Accessories Manufacturing increased 20.03 percentage point, being 28.84%. Its total value of production only increased 6.02%, and persons employed evidently reduced by 18,000, with 25.57% reduction. Besides, the year-round labor compensation for every person in 2006 average was NT$423,000, with an increase of 17.50% as against that of 2001, showing that Wearing Apparel and Clothing Accessories Manufacturing under traditional industry evidently reduced of its need for domestic labor as its production line was relocated.

Table 12 The industry with faster growth of year-round labor compensation averagely for every person of all industries, by subsector

2006

By Subsector	Year-round average labor compensation per person engaged（NT$）			Profit rate		Year-round total value of production per person engaged	
	2006	2001	Change（%）	（%）	Diff. w. yr. 2001 (percentage)	（NT$1000）	Diff. w. yr. 2001（%）
Overall Average	**541 054**	**503 203**	**7.52**	**7.23**	**2.30**	**3 170**	**31.48**
Industrial Sectors	**552 587**	**488 863**	**13.04**	**7.87**	**4.35**	**4 784**	**47.61**
Top 10 subsectors with increase of labor compensation							
Chemical Material Manufacturing	902 215	732 959	23.09	12.42	10.10	16 267	95.09
Computers,Electronic & Optic Prod. Manuf.	672 864	549 528	22.44	4.60	-0.71	6 342	25.68
Medical Goods Manufacturing	594 767	490 462	21.27	10.21	3.09	2 804	13.43
Ind.Machine. & Equip. Repair & Install.	649 900	536 210	21.20	8.83	5.60	2 220	53.21
Basic Metal Manufacturing	695 200	578 986	20.07	9.74	9.28	11 756	111.48
Chemical Products Manufacturing	586 736	493 647	18.86	8.43	2.87	4 260	29.92
Wearing Apparel and Clothing Accessories Manufacturing	423 384	359 687	17.71	5.53	2.42	1 774	38.38
Electrical Equipment Manufacturing	539 291	459 119	17.46	6.91	2.70	4 455	52.46
Buildings Construction	538 038	460 570	16.82	5.73	4.74	3 578	36.98
Remediation Services	517 261	443 130	16.73	11.27	2.74	1 745	11.93
Service Sectors	**532 383**	**514 580**	**3.46**	**6.60**	**0.57**	**1 956**	**11.58**
Top 10 subsectors with increase of labor compensation							
Securities, Futures and Other Financing	1 095 753	846 509	29.44	22.09	3.43	3 431	31.71
Legal and Accounting Services	673 472	579 449	16.23	18.99	3.94	1 320	14.38
Computer Systems Design Services	675 603	586 645	15.16	9.93	3.49	2 819	-0.04
Sports, Amusement and Recreation	424 690	376 502	12.80	8.91	-1.04	1 208	3.60
Specialized Design Services	616 899	547 305	12.72	12.09	3.28	2 596	12.58
Other Prof., Scientific & Tech Serv.	541 980	482 188	12.40	10.96	0.71	1 815	25.69
Real Estate Operation and Relative Services	536 639	486 779	10.24	15.80	9.35	2 157	19.37
Real Estate Development	583 498	535 652	8.93	11.75	7.85	4 588	99.39
Air Transportation	1 176 802	1 085 538	8.41	0.95	2.92	12 129	45.48
Food and Beverage Services	349 674	322 605	8.39	11.25	3.60	1 106	-8.29

Table 13 Labor Employment and Compensation of Manufacturing Sector with Higher Overseas Production Proportion, by subsector

By Subsector	Year-end number of enterprise units (Number)	Proportion of overseas production as amounted to the operating revenues (%)		Year-round total value of production (NT$Million)		Year-end number of persons employed (Person)				Year-round labor compensation per person employed (NT$1,000)	
						2006		2001			
		2006	2001	2006	2001		Officers propor-tion (%)		Officers propor-tion (%)	2006	2001
Manufacturing Sector	**148 017**	**27.10**	**7.35**	**13 863 134**	**8 262 639**	**2 630 078**	**36.53**	**2 381 653**	**29.83**	**555**	**485**
Top 5 subsectors in terms of proportion of oversea production											
Computers,Electronic & Optic Prod. Manuf.	3 445	73.45	17.77	1 269 363	990 227	199 884	54.79	196 106	38.09	673	550
Electrical Equipment Manufacturing	5 910	32.57	4.38	548 098	363 306	121 670	40.43	123 329	32.14	539	459
Wearing Apparel and Clothing Accessories Manufacturing	3 975	28.84	8.81	101 397	95 644	54 508	37.29	73 230	27.32	423	360
Electronic Parts & Components Manufact.	5 680	25.00	14.81	3 277 875	1 543 420	542 915	41.44	356 427	35.70	625	544
Manufacturing Not Elsewhere Classified	5 274	13.91	5.46	184 920	157 036	72 301	33.61	72 032	28.48	443	392

Note: Oversea production in 2001 only included triangular trade.

(2) Input of assets used in operation

▲In coping with the change of industrial management mode, tangible fixed assets in proportion to the assets used in operation reduced by 4.6 percentage point for past five years.

With the approaching of knowledge-based economy, human power and skill become important assets of enterprise, while enterprise also conducted different measures in terms of assets utilization deployment strategy as against to times before. By the end of 2006, the tangible fixed assets of the industry and commerce (self-owned tangible fixed assets and leased and lent tangible fixed assets) amounted to 23.00% of the actual assets used in operation, an obvious reduction as against to 27.60% of year-end 2006. Among them, the industrial and service sectors respectively reduced by 7.47 percentage point and 3.26 percentage point, primarly because international competition and the influence of principle of comparative advantage. As enterprise operated and planed global resources, they relocated low-end production, and conducted diversified management as well as flexible investment of financial assets. If we observe from enterprise scale, the tangible fixed assets of medium-scale enterprise in proportion to the assets used in operation decreased by 7.91 percentage point for past five years, being the greatest of all. The second was large-scale enterprise by 2.89 percentage point reduction, showing that medium-scale faced with the impact of industrial change as well as fast change of management mode.

Table 14. The structure of assets used in operation of all industries, by enterprise scale

Unit:Billion、%

Classification by enterprise scale		End of 2006					End of 2001				
		Total	Current Assets	Tangible fixed assets Owned	Other Assets	Leased and lent fixed-assets	Total	Current Assets	Tangible fixed assets Owned	Other Assets	Leased and lent fixed-assets
Grand Total (Overall Average)	**actual amount**	**106 663.2**	**35 148.5**	**17 811.5**	**46 986.4**	**6 716.8**	**76 835.7**	**26 830.7**	**16 122.1**	**28 797.9**	**5 085.0**
	structure ratio	**100.00**	**32.95**	**16.70**	**44.05**	**6.30**	**100.00**	**34.92**	**20.98**	**37.48**	**6.62**
Large-scale enterprise	actual amount	87 257.4	27 547.2	12 462.6	43 973.5	3 274.2	59 694.1	20 138.2	10 909.4	27 068.6	1 577.9
	structure ratio	100.00	31.57	14.28	50.40	3.75	100.00	33.74	18.28	45.35	2.64
Medium-scale enterprise	actual amount	13 393.1	6 062.2	3 154.5	2 286.1	1 890.3	11 577.2	5 120.3	3 351.8	1 179.6	1 925.6
	structure ratio	100.00	45.26	23.55	17.07	14.11	100.00	44.23	28.95	10.19	16.63
Small-scale enterprise	actual amount	6 012.7	1 539.1	2 194.4	726.9	1 552.2	5 564.4	1 572.2	1 861.0	549.8	1 581.4
	structure ratio	100.00	25.60	36.50	12.09	25.82	100.00	28.25	33.44	9.88	28.42
Industrial Sectors	**actual amount**	**25 942.0**	**9 867.1**	**9 802.2**	**4 985.8**	**1 286.8**	**19 499.5**	**6 506.8**	**8 659.7**	**3 199.2**	**1 133.9**
	structure ratio	**100.00**	**38.04**	**37.79**	**19.22**	**4.96**	**100.00**	**33.37**	**44.41**	**16.41**	**5.82**
Large-scale enterprise	actual amount	19 021.8	6 521.4	7 718.4	4 314.8	467.1	13 517.9	3 869.0	6 506.7	2 849.6	292.5
	structure ratio	100.00	34.28	40.58	22.68	2.46	100.00	28.62	48.13	21.08	2.16
Medium-scale enterprise	actual amount	6 251.8	3 160.4	1 786.5	655.0	650.0	5 229.4	2 395.0	1 877.7	336.5	620.2
	structure ratio	100.00	50.55	28.58	10.48	10.40	100.00	45.80	35.91	6.43	11.86
Small-scale enterprise	actual amount	668.4	185.3	297.3	16.1	169.7	752.3	242.8	275.2	13.1	221.2
	structure ratio	100.00	27.72	44.48	2.41	25.39	100.00	32.27	36.58	1.74	29.40
Service Sectors	**actual amount**	**80 721.2**	**25 281.3**	**8 009.3**	**42 000.6**	**5 429.9**	**57 336.2**	**20 323.9**	**7 462.4**	**25 598.7**	**3 951.1**
	structure ratio	**100.00**	**31.32**	**9.92**	**52.03**	**6.73**	**100.00**	**35.45**	**13.02**	**44.65**	**6.89**
Large-scale enterprise	actual amount	68 235.6	21 025.7	4 744.1	39 658.7	2 807.1	46 176.2	16 269.2	4 402.6	24 218.9	1 285.5
	structure ratio	100.00	30.81	6.95	58.12	4.11	100.00	35.23	9.53	52.45	2.78
Medium-scale enterprise	actual amount	7 141.3	2 901.8	1 368.1	1 631.1	1 240.4	6 347.8	2 725.3	1 474.1	843.1	1 305.4
	structure ratio	100.00	40.63	19.16	22.84	17.37	100.00	42.93	23.22	13.28	20.56
Small-scale enterprise	actual amount	5 344.2	1 353.8	1 897.1	710.8	1 382.5	4 812.1	1 329.4	1 585.7	536.7	1 360.3
	structure ratio	100.00	25.33	35.50	13.30	25.87	100.00	27.63	32.95	11.15	28.27

Note: “Self-owned tangible fixed assets” item has deducted “leased and lent tangible fixed assets”.

▲For past five years, there were changes with self-owned tangible fixed assets, while Electronic Parts and Components Manufacturing of the industrial sector increased NT$1 trillion and 175 billion, being the most; as for service sector, Land Transportation increased NT$363.4 billion, topping the rest of others.

The tangible fixed assets of industry reflects its direct investment in the country, and by the end of 2006 the self-owned tangible fixed assets of industry and commerce was NT$18 trillion and 994.4 billion, with increase of NT$ 2 trillion and 321.6 billion as against to NT$ 16 trillion and 672.8 billion by the year-end of 2001. Among them, the industrial sector increased NT$ 1 trillion and 260.9 billion, and the service sector NT$ 1 trillion and 60.7 billion. Besides, the Electronic Parts and Components Manufacturing increased NT$ 1 trillion and 175 billion for past five years, being the most of all, which was mainly because the flat display and semiconductor relevant industries developed prosperously, showing that major economic construction projects exercise significant impact on economic development. On the other hand, Electricity and Gas Supply increased NT$241.4 billion, ranked second in the row, because the ban on private power plant lifted and the fourth nuclear power plant resumed construction. Chemical Material Manufacturing increased NT$144.1 billion, ranked third in the row, because the development in petrochemical industry was booming. As for service sector, Land Transportation increased NT$363.4 billion, being the first, because there was the construction of high-speed railway. Retail industry increased NT$231.2 billion, being second in the row, because there was aggressive expansion with hypermarket and chain convenient store. Real Estate Development and Insurance Industry ranked the third and fourth, and the increase of the total monetary amount of self-owned tangible fixed assets of the top four made up 95.32% of the entire service sector.

If we observe from the viewpoint of total value of production amount in proportion to self-owned tangible fixed assets of the capital, the self-owned tangible fixed assets of the industrial sector in 2006 increased the most and topped among the five industries, and NT$2.10 of Petroleum and Coal Products Manufacturing ranked the highest, with an increase of 113.38% for past five years, being the highest of all. Then, it was seconded by Chemical Material Manufacturing as NT$ 2.03, with an increase of 77.35% for past five years, and it was trailed by Motor Vehicles and Parts Manufacturing as NT$1.67, but a reduction of 14.20% for past five years. Although Electronic Parts & Component Manufacturing and the Electricity and Gas Supply stand at the top two positions in terms of increase with self-owned tangible fixed assets, their capital productivity and associated increases were less than the averages of the industrial sectors as a whole.For the top 3 subsectors among service sectors of the increase of self-owned fixed assets, their capital productivity and associated increases were both less than the averages of service sectors as a whole.

Table 15 Change of capital productivity from faster increase trade with self-owned tangible fixed assets of all industries, by subsector

By Subsector	Tangible fixed assets Owned (NT$Million)			Total value of production per dollar of tangible fixed assets owned (NT$)				
	End of 2006	End of 2001	Amount of Diff.	2006	Rank	2001	Rank	Change (%)
Grand Total(Overall Average)	**18 994 395**	**16 672 808**	**2 321 587**	**1.26**	**-**	**0.96**	**-**	**30.76**
Industrial Sectors	**10 116 222**	**8 855 323**	**1 260 899**	**1.53**	**-**	**1.08**	**-**	**42.06**
Top best 5 subsectors with increase of self-owned tangible fixed assets								
Electronic Parts & Components Manufact.	2 716 819	1 541 828	1 174 991	1.21	31	1.00	29	20.53
Electricity and Gas Supply	1 515 565	1 274 179	241 386	0.28	37	0.27	37	6.06
Chemical Material Manufacturing	667 208	523 073	144 135	2.03	21	1.14	26	77.45
Motor Vehicles and Parts Manufacturing	238 070	137 669	100 401	1.67	25	1.94	11	-14.20
Petroleum and Coal Products Manufact.	625 016	563 835	61 181	2.10	20	0.98	31	113.38
Service Sectors	**8 878 174**	**7 817 485**	**1 060 689**	**0.95**	**-**	**0.83**	**-**	**13.98**
Top best 5 subsectors with increase of self-owned tangible fixed assets								
Land Transportation	1 295 494	932 139	363 355	0.21	40	0.28	37	-26.68
Retail Trade	1 213 435	982 237	231 198	0.77	30	0.71	29	7.86
Real Estate Development	566 591	351 132	215 459	0.26	39	0.21	40	24.53
Insurance Carriers	279 949	78 917	201 032	1.25	22	3.49	6	-64.35
Financial Intermediation	774 446	678 453	95 993	1.73	18	1.63	18	5.92

Note: The increase and decrease rate of capital productivity found in this Table based on two-year value with five digits employed after decimal for calculation

▲In 2006, the increase of self-owned tangible fixed assets of the industry and commerce increased NT$ 1 trillion and 908.2 billion, with more than 70% of the contribution from the industrial sector.

In 2006, the self-owned tangible fixed assets of the industry and commerce increased NT$2 trillion and 240.3 billion, with sale of NT$249.2 billion and NT$82.9 billion scrapped reaching a total of net increase of NT$ 1 trillion and 908.2 billion. Among them, the net increase at the industrial sector reached NT$ 1 trillion and 392.3 billion, being the most of all, and it amounted to 72.98% of the net increase of all industries. Besides, the input by large-scale industry from the industrial sector was NT$ 1 trillion and 341.1 billion, reckoned as the most among all, which can be mainly attributed to the expansion of production capacity in the semiconductor and optoelectronic industry. If we observe the industrial sector of the top 100 enterprises before its revenues, the net increase of its self-owned tangible fixed assets was NT$ 966 billion, amounting to 77.40% of the large-scale enterprise of the industrial sector, showing that the investment momentum from the industrial sector remains as the primary source. For service sector, it input NT$ 691.9 billion, while large-scale enterprise remained as the primary source of input, and the amount of money reaches NT$404.1 billion. For top 100 enterprises of the service sector before revenues, since the elimination sale of the tangible fixed assets was as much as NT$42.1 billion and scrapped assets as NT$11.7 billion it ended up with net increase of amount reaching NT$ 83.7 billion, merely amounting to 29.06% of the large-scale enterprise of the service sector. Since there was entry of many new enterprises into small-scale service industry, it helped spur net increase of tangible fixed assets as NT$149.6 billion, obviously higher than that of the medium-scale enterprise, and it well demonstrated that the expansion of service sector was found distributed among the large- and small-scale enterprise, while industrial sector was concentrated on large-scale enterprise.

Table 16 Change of self-owned tangible fixed assets of all industries, by enterprise scale

2006 Unit:NT$Million

By enterprise Scale	Net increase amount ①=②-③-④	Increase amount ②	Sale amount ③	Scrap amount ④
Grand Total	**1 908 244**	**2 240 326**	**249 174**	**82 908**
Large-scale enterprise	1 535 978	1 745 258	148 725	60 555
Medium-scale enterprise	201 891	307 199	86 770	18 538
Small-scale enterprise	170 374	187 869	13 679	3 815
Industrial Sectors	**1 392 723**	**1 548 452**	**122 174**	**33 555**
Large-scale enterprise	1 248 072	1 341 112	70 680	22 361
Medium-scale enterprise	123 844	182 710	48 038	10 828
Small-scale enterprise	20 807	24 630	3 457	366
Top 100 enterprises	966 024	1 008 613	33 425	9 164
Top 500 enterprises	1 119 166	1 195 250	58 680	17 404
Service Sectors	**515 521**	**691 874**	**127 000**	**49 353**
Large-scale enterprise	287 907	404 146	78 045	38 194
Medium-scale enterprise	78 047	124 490	38 733	7 710
Small-scale enterprise	149 567	163 239	10 222	3 449
Top 100 enterprises	83 676	137 459	42 052	11 731
Top 500 enterprises	156 663	235 535	57 974	20 898

Note: For the pricing basis of self-owned tangible fixed assets, “increase” was calculated upon cost value; “sale” was calculated upon sale price, and “scrap” was calculated upon book value.

(3) Intangible assets

Intangible investment refers to the direct or indirect input of enterprise to enhance its competitiveness, which includes employee competence, enhancement of customer relationship, skill innovation, and improvement of management workflow. This census collected the quantified information of such intangible investment of the industry and commerce through the expenditures on employee training, marketing information, R & D, computer software and database purchase.

▲In 2006, the expenditures on employee training of the industry and commerce was NT$30.4 billion, marketing NT$413.7 billion, and computer software and database purchase NT$48.8 billion.

In 2006, the expenditures on employee training of the industry and commerce was NT$28.6 billion, being the most of all, while capital expenditure was NT$ 1.8 billion, totaling NT$30.4 billion, which amounted to 0.07% of the operating revenues. Among them, the expenditures by large-scale enterprise was NT$23.4 billion, the most of all, amounting to

77.11%. If we observe from these two major sectors, the expenditures on employee training for the industrial sector was NT$13.8 billion, and NT$12.6 billion of Manufacturing was considered the most, while the non-traditional industries contributed third-fourth. The expenditures of employee training for the service sector was about NT$16.6 billion, while the knowledge-intensive service industry contributed NT$9.8 billion as the most of all, showing that technology and knowledge-intensive industry were most aggressive to enhance the professional skills of its employees.

In 2006, the marketing expenditure of all industries was NT$413.7 billion, amounting to 0.94% of the operating revenues, and cost expenditure accounted for NT$407.2 billion, while capital expenditure only accounted for NT$6.5 billion. As for large-scale enterprise, their marketing expenditure amounted to NT$327.5 billion, being the most of all, and it amounted to nearly 80% of the marketing expenditures of all industries. If we observe these tow major sectors, the marketing expenditures of the industrial sector was NT$237.2 billion, and the expenditures of NT$ 226.2 billion by Manufacturing being the most. While the amount and proportion of marketing expenditures by the traditional and non-traditional manufacturing were quite comparable, showing that the entire manufacturing was very devoted into marketing activity so as to facilitate operation enhancement. Among the expenditures for service sectors was about NT$ 176.5 billion, NT$111.1 billion for non-knowledge intensive services, NT$65.4 billion for knowledge intensive services.

In 2006, the expenditures on the purchase of computer software and database for all industries reached as much as NT$48.8 billion, amounting to 0.11% in proportion to the operating revenues; among them, capital expenditure was NT$26 billion, much higher than NT$22.8 billion of the cost expenditure. The input by the large-scale enterprise was NT$36 billion, amounting to as much as nearly 70% of expenditures on the purchase of computer software and database of all industries. As we observe these two major sectors, the expenditures on purchase of computer software and database by the industrial sector were about NT$19.6 billion. While the expenditures of NT$18.7 billion by Manufacturing was the most; the expenditures by the service sector was NT$29.2 billion, while the expenditures of NT$19.6 by the knowledge-intensive service industry was the most.

Table 17 Expenditures on employee training, marketing and the purchase of computer software and database, by enterprise scale and sector

2006 Unit:NT$Million

Classification by enterprise scale and industry	Employee training expenditures			Marketing expenditures			Expenditures on the purchase of computer software and database		
	Expense	Capital	Proportion on the operating revenues （%）	Expense	Capital	Proportion on the operating revenues （%）	Expense	Capital	Proportion on the operating revenues （%）
Grand Total (Overall Average)	**28 619**	**1 785**	**0.07**	**407 155**	**6 545**	**0.94**	**22 794**	**25 994**	**0.11**
Classification by enterprise scale									
Large-scale enterprise	22 701	745	0.08	322 784	4 745	1.17	14 815	21 179	0.13
Medium-scale enterprise	4 601	658	0.04	73 761	1 281	0.60	5 570	4 238	0.08
Small-scale enterprise	1 316	382	0.05	10 610	519	0.31	2 409	577	0.08
Industrial Sectors	**13 073**	**695**	**0.06**	**233 183**	**4 041**	**1.09**	**8 852**	**10 777**	**0.09**
Large-scale enterprise	10 924	400	0.08	189 836	3 594	1.31	6 443	7 889	0.10
Medium-scale enterprise	1 887	272	0.03	42 540	364	0.65	2 203	2 859	0.08
Small-scale enterprise	262	22	0.05	807	83	0.16	207	29	0.04
Service Sectors	**15 545**	**1 091**	**0.07**	**173 972**	**2 505**	**0.80**	**13 942**	**15 217**	**0.13**
Large-scale enterprise	11 777	345	0.09	132 948	1 151	1.02	8 372	13 291	0.16
Medium-scale enterprise	2 715	386	0.05	31 221	917	0.54	3 367	1 378	0.08
Small-scale enterprise	1 054	359	0.05	9 803	436	0.34	2 202	548	0.09
By Sector									
Manufacturing Sector	**12 085**	**518**	**0.06**	**223 886**	**2 362**	**1.15**	**8 341**	**10 375**	**0.09**
Traditional	2 965	231	0.03	109 249	1 516	1.16	3 305	3 251	0.07
Non-traditional	9 120	288	0.09	114 637	846	1.14	5 036	7 124	0.12
Service Sectors	**15 545**	**1 091**	**0.07**	**173 972**	**2 505**	**0.80**	**13 942**	**15 217**	**0.13**
Knowledge-intensive	9 465	377	0.13	64 604	770	0.88	7 852	11 771	0.26
Non- knowledge-intensive	6 080	713	0.05	109 367	1 735	0.75	6 089	3 446	0.06

Note: The three- item intangible investments as employee training, marketing and the purchase of computer software database were not exclusive.

▲In 2006, the expenditures of R & D was NT$334.1 billion, while the 84.47% of the Manufacturing amounted the most.

In 2006, there were as many as 12,088 enterprises from all industries that had invested onto R&D, amounting to 1.09% of all industries, and the expenditures on R & D was NT$334.1 billion, amounting to 0.76% to the operating revenues of all industries. Among them, cost expenditure was NT$ 297.6 billion, and capital expenditure was NT$36.5 billion. If we observe from enterprise scale, the percentage of 25.85% of large-scale enterprises input R & D in year 2006, and the amount reached NT$278.8 billion, amounting to 83.45% of the entire R&D. Besides, large-scale enterprise from the industrial sector input NT$238.5 billion, being the most of all.

As we further observe the expenditures of R&D from each industry, the expenditures of R & D from the Manufacturing of the industrial sector was NT$282.2 billion, amounting to 84.47% of the entire R & D, being the top all other industries. Among them, the expenditures of R & D by non-traditional Manufacturing was NT$229.2 billion, amounting to 2.26% of the operating revenues of the industry, which was lot higher than 0.55% of the traditional industry. As for the entire service sector, the expenditure was only NT$48.7 billion, while the expenditures of R & D by the knowledge-intensive service industry amounted to 0.42% of the operating revenues, much higher than 0.12% of the non-knowledge intensive service industry.

Table 18　Expenditures on R&D by all industries, by enterprise scale and sector

2006

Classification by enterprise scale and sector	Year-end of enterprise units ① (Number)	With activities of R&D					
		Number of enterprise units		Amount of R&D expenditure（NT$Million）			
		② (Number)	②/①*100 (%)	Total	Expense	Capital	Proportion on the operating revenues (%)
Grand Total (Overall Average)	**1 105 102**	**12 088**	**1.09**	**334 100**	**297 575**	**36 525**	**0.76**
Classification by enterprise scale							
Large-scale enterprise	8 397	2 171	25.85	278 800	249 566	29 234	1.00
Medium-scale enterprise	223 129	8 494	3.81	54 648	47 433	7 215	0.44
Small-scale enterprise	873 576	1 423	0.16	651	576	76	0.02
Industrial Sectors	**226 048**	**7 143**	**3.16**	**285 426**	**261 452**	**23 973**	**1.31**
Large-scale enterprise	1 642	1 169	71.19	238 534	220 724	17 811	1.62
Medium-scale enterprise	94 416	5 911	6.26	46 863	40 712	6 151	0.71
Small-scale enterprise	129 990	63	0.05	29	16	12	0.01
Service Sectors	**879 054**	**4 945**	**0.56**	**48 674**	**36 123**	**12 552**	**0.22**
Large-scale enterprise	6 755	1 002	14.83	40 266	28 843	11 424	0.30
Medium-scale enterprise	128 713	2 583	2.01	7 785	6 721	1 065	0.13
Small-scale enterprise	743 586	1 360	0.18	623	560	63	0.02
By Sector							
Manufacturing Sector	**148 017**	**6 819**	**4.61**	**282 219**	**258 704**	**23 515**	**1.43**
Traditional	132 982	4 668	3.51	52 982	47 723	5 260	0.55
Non-traditional	15 035	2 151	14.31	229 237	210 982	18 255	2.26
Service Sectors	**879 054**	**4 945**	**0.56**	**48 674**	**36 123**	**12 552**	**0.22**
Knowledge-intensive	113 682	2 618	2.30	31 266	20 401	10 865	0.42
Non- knowledge-intensive	765 372	2 327	0.30	17 408	15 722	1 687	0.12

Note: Expense-typed expenditures include those for outsourced R&D's and the depreciation of R&D equipments; Capital-typed expenditures include tangible and intangible assets used for R & D activities.

3. Changes of industrial structure

(1) Change of total value of production

1. Analysis of total value of production

▲For last five censuses, it was the first time the proportion of total value of production from the industrial sector demonstrated increase.

Since 1960s, the government has been actively cultivating industry, which stimulated our first economic miracle. However, with the trend of globalization and the development trend of ever increasing professional diversified division labor, since 1984 traditional industry has relocated its production overseas under the context of greater profit obtained among the newly emerging countries. Consequently, it ended up a decline trend of proportion with the total value of production from the industrial sector (the total value of production reckons to the proportion of total value of production from all industries). In 1991, 1996, and 2001 censuses, they declined 69.49%, 63.55%, and 59.46% respectively, and it was only until recent years that industrial upgrading of the Manufacturing gradually picked up so that the proportion of the total value of production from the industrial sector increased 5.31 percentage point in 2006 as 64.77%, and it exceeded the level of 1996. As for service sector, the government continued to facilitate the policy of liberalization and internationalization, and gradually lifted restriction upon service industry, allowing foreign nationals to invest and to bring in oversea technology, and it showed booming development. Thus, the proportion of total value of production soared up since 1986, and reached the climax of 40% in 2001; however, as affected by the slow-down of domestic consumption in 2006, the proportion of total value of production reversed to display decline.

Table 19 The structure and change of total value of production for last five censuses

Year of census	Year-round value		Structural proportion（%）	
	（NT$Billion）	Diff. % w. prve. census	Industrial Sectors	Service Sectors
1986	4 846.4	58.60	76.79	23.21
1991	8 237.7	69.98	69.49	30.51
1996	13 708.7	66.41	63.55	36.45
2001	16 066.5	17.20	59.46	40.54
2006	23 934.0	48.97	64.77	35.23

2. Analysis based on gross value of production

▲For past five years, the proportion of gross value of production from the industrial sector increased 4.03 percentage point.

If we observe the changes of industrial structure from gross value of production (total value of production in deduction of intermediate consumption) for past five years, since there was soaring price of international raw material and fuel it evidently resulted in the increase of intermediate consumption. The year-round gross value of production in 2006 was NT$9 trillion and 394.2 billion, which increased only by 39.16% against that of 2001. Among them, the industrial sector amounted 49.42%, which increased 4.03 percentage point as against that of 2001, while service sector amounted 50.58%, which decreased 4.03 percentage point as against that of 2001, showing the development of industrial sector was much favorable than the service sector for past five years. As a result, the proportion of the industrial sector increased, reaching comparable structure with that of the service sector.

Table 20 The structure and change of gross value of production for last five censuses

Year of census	Year-round amount		Structural proportion（%）	
	（NT$Billion）	Diff. with prev. census(%)	Industrial Sectors	Service Sectors
1986	1 766.5	60.65	63.03	36.97
1991	3 490.3	97.58	55.19	44.81
1996	5 740.2	64.46	48.90	51.10
2001	6 750.7	17.60	45.39	54.61
2006	9 394.2	39.16	49.42	50.58

(2) Industrial structure of the Manufacturing

▲Traditional manufacturing gradually stabilized, while non-traditional manufacturing was developing prosperously.

At the end of 1980s, since land, labor, relevant environmental protection, and social cost gradually increased, the competitive advantage of traditional labor-intensive industry had lost it niche. In addition to globalization and the development trend of ever increasing diversified of professional division of labor and the rise of the newly emerging countries, it ended up Taiwan loss with its comparative profit in manufacturing. As a result, industries relocated overseas, and in 1991 census, persons engaged in traditional manufacturing drastically reduced, and further since 1996 census, the number of enterprise and persons engaged in traditional manufacturing dropped even more evidently. However, the number of traditional manufacturing enterprises increased 6,409 in 2006 as against 2001 census, and the persons engaged increased 80,000. Besides, the total value of production also increased NT$3 trillion and 402.1 billion or 63.40%, which demonstrated much better performance as it reduced in its total value of production only by 1.10% and increased 35.93% as against last 2 censuses, showing traditional manufacturing was going through adjustment of industrial structure and gradually coming to stability.

Since the government facilitated the development of technology-intensive and high-tech industry, non-traditional manufacturing demonstrated evident increase in terms of number of enterprise establishments, number of persons engaged, total value of production, or assets used in operation since 1991. As shown from the 2006 census, the persons engaged increased 190,000 from last census, and the total value of production evidently increased 75.88% to NT$5 trillion 95.3 billion, showing that the actual assets used were NT$4 trillion and 293.8 billion, reaching NT$10 trillion and 410.4 billion. The increase was 70.20% as against that of 2001, showing booming development of non-traditional manufacturing.

Table 21 Operation outline of the Manufacturing for last four censuses

Year of census		Year-end number of enterprise units (Number)		Year-end number of persons engaged (1,000 persons)		Total value of production (NT$Billion)		Year-end value of assets used in operation (NT$Billion)	
		Traditional industries	Non-traditional industries	Traditional industries	Non-traditional industries	Traditional industries	Non-traditional industries	Traditional industries	Non-traditional industries
1991	Actual amount	127 936	12 521	2 164	501	3 991.6	955.8	4 995.5	1 008.1
	Structure ratio(%)	91.09	8.91	81.21	18.79	80.68	19.32	83.21	16.79
1996	Actual amount	139 879	14 678	1 972	552	5 425.6	1 980.3	7 748.0	2 345.3
	Structure ratio(%)	90.50	9.50	78.15	21.85	73.33	26.67	76.76	23.24
2001	Actual amount	126 573	14 803	1 749	677	5 365.7	2 897.0	9 994.5	6 116.6
	Structure ratio(%)	89.53	10.47	72.09	27.91	64.94	35.06	62.03	37.97
2006	Actual amount	132 982	15 035	1 829	867	8 767.8	5 095.3	11 583.2	10 410.4
	Structure ratio(%)	89.84	10.16	67.85	32.15	63.25	36.75	52.67	47.33

(3) Industrial structure of service sectors

▲For past five years, though the total value of production of knowledge-intensive service industry increased 24.90%, its proportion to the entire service sectors decreased 1.57 percentage point that still needs to enhance.

Knowledge-intensive service industry, due to great effect of industrial proliferation, it always is the development focus of domestic industry. Since 1991 census, the number of establishments of knowledge-intensive service industry, persons engaged, and increase of assets used in operation were, aside from that the increase of assets used in operation in 1996 census was somewhat lower, relatively higher than that of the non-knowledge intensive service industry. In 2006, the number of enterprises from knowledge-intensive service industry was 113,682, amounting to 12.93% of the number of enterprises in service sectors, while the assets used in operation amounted to nearly 80% of the service sectors, taking in 30% of the employment population from the service sectors. For past five years, the increase of total value of production was 24.90%, but it was lower than the increase 33.08% of the non-knowledge intensive service industry as affected by financial dual-card bad-debt and gradual maturity of the telecom market. Still, it amounted to 42.95% of the entire service sectors, and decreased 1.57 percentage point as against to 44.52% of 2001 census, showing that knowledge-intensive service industry remained much to enhance.

Table 22 Operation outline of the service sector for last four censuses

Year of census		Year-end number of enterprise units (Number)		Year-end number of persons engaged (1,000 persons)		Total value of production (NT$Billion)		Year-end value of assets used in operation (NT$Billion)	
		Knowledge intensive	Non-knowledge intensive	Knowledge intensive	Non-knowledge intensive	Knowledge intensive	Non-knowledge intensive	Knowledge intensive	Non-knowledge intensive
1991	Actual amount	46 732	524 526	608	2 062	1 022.1	1 491.0	18 838.4	5 723.3
	Structure ratio(%)	8.18	91.82	22.76	77.24	40.67	59.33	76.67	23.33
1996	Actual amount	66 531	594 135	841	2 611	2 036.0	2 960.5	29 161.3	11 515.1
	Structure ratio(%)	10.07	89.93	24.35	75.65	40.74	59.26	71.69	28.31
2001	Actual amount	75 089	659 337	966	2 750	2 899.6	3 614.0	42 075.0	15 261.1
	Structure ratio(%)	10.22	89.78	25.99	74.01	44.52	55.48	73.38	26.62
2006	Actual amount	113 682	765 372	1 287	3 023	3 621.6	4 809.6	62 830.6	17 890.5
	Structure ratio(%)	12.93	87.07	29.86	70.14	42.95	57.05	77.84	22.16

4. Operation efficiency

(1) Labor productivity and the change of labor cost for unit output

▲For past five years, the labor productivity of industry and commerce increased 31.48%, and the growth of large-scale enterprise from the industrial sectors was the highest, while the growth of small-scale enterprise from the service sectors was the best.

If we consider the total value of production created per person engaged as “labor productivity”, the labor productivity of the industry and commerce in 2006 was NT$3,170,000 which increased 31.48% as against NT$2,410,000 of 2001. If we view the perspective of enterprise scale, the increase of 30.56% from large-scale was slightly higher than 30.05% of the medium-scale enterprise and 22.13% of the small-scale enterprise. As we observe from these two major sectors, labor productivity increased 47.61% with the industrial sectors, while the large-scale enterprise's 50.08% increase was the highest, small-scale enterprise's 18.29% increase was the lowest. It shows that under the context of internationalization large-scale enterprise can better make use of global manufacturing resources to enhance their competition advantage, being most prominent with Manufacturing. For past five years, its labor productivity increased 51.01%, and traditional manufacturing increased 56.28% among them, being the best. Since the service sectors was under the influence of financial dual-card bad debt and slow-down of domestic consumption, its labor productivity increased 11.58%, whereas large-scale enterprise was under the influence of more profound extent, with an increase of only 5.38%. As for small-scale enterprise, its growth of labor productivity increased 22.27% under its flexible maneuver of work force, being the best.

▲For past five years, labor productivity increased, and labor cost of unit output decreased, showing the increase of enterprise competitiveness; the industrial sectors was better than the service sectors.

If we consider the labor compensation per dollar of total value of production as "labor cost of unit output", the labor cost of unit output of the industry and commerce for past five years lowered 18.22%, while labor productivity increased 31.48%, found with an evident increase of enterprise competitiveness. Among them, the performance of large-scale enterprise was much better than small-scale enterprise. If we observe from these two major sectors, the labor productivity of the industrial sectors and the labor cost of unit output were respectively as 47.61% and -23.43%, which were relatively better than 11.58% and -7.29% of the service sector, showing that the competition enhancement from the industrial sectors was better than that of the service sectors.

▲Labor productivity of non-traditional manufacturing was higher than that of traditional manufacturing, but its extent of competition enhancement was far less as favorable as traditional manufacturing. The labor productivity of knowledge-intensive service industry was also higher than that of the non-knowledge intensive service industry, but its extent of competition enhancement was far less than as favorable as non-knowledge intensive service industry.

In 2006, the labor productivity of non-traditional manufacturing was NT$5,880,000, while that of traditional manufacturing was NT$4,790,000, which clearly demonstrated that the labor productivity of non-traditional manufacturing was much better than that of traditional manufacturing. As we further observe the increase of competitiveness, the labor productivity of traditional manufacturing increased 52.68% for past five years, while its labor cost of unit output decreased 28.49%, which were better than the corresponding 37.43% growth and 14.36% decrease of the non-traditional manufacturing, showing that the enhancement of competitiveness of traditional manufacturing was far quicker.

The labor productivity of knowledge-intensive service industry was NT$2,820,000, while that of non-knowledge intensive service industry was NT$1,590,000, showing that the labor productivity of knowledge-intensive service industry was evidently better than that of non-knowledge intensive service industry. As we further observe the increase of competitiveness, the labor productivity of non-knowledge intensive service industry increased 21.08% for past five years, and its labor cost of unit output decreased 13.64%, performing much better than that of knowledge-intensive service industry, and it shows that the enhancement of competitiveness from non-knowledge intensive service industry increased faster.

(2) Change of capital productivity of the industry and commerce

▲For past five years, capital productivity increased 7.31%, the increase for medium-scale or small-scale enterprises was higher than that for large-scale enterprises.

If we observe from the capital productivity of total value of production per dollar of assets used in operation, the capital productivity of the industry and commerce in 2006 was NT$0.22, which increased 7.31% as against NT$0.21 of 2001, with an average year-round increase of 1.42%. If we observe from enterprise scale, the capital productivity of medium-scale enterprise increased 25.13% for past five years, slightly higher than 24.16% of the small-scale enterprise, while large-scale enterprise only increased mildly 5.19%, showing that small- and medium-scale enterprise flexibly maneuvered its operation and management to create etter capital efficiency under limited assets. As we observe these two major sectors, the capital productivity of the industrial sectors in 2006 was NT$0.60, an increase of 21.98% as against that of 2001, showing that the industrial sectors expanded more cautiously with better efficiency after it went through economic recession in 2001. The capital productivity of the service sectors was NT$0.10, which decreased 8.06% as against that of 2001. Among them, knowledge-intensive service industry decreased 16.36%, while non-knowledge intensive service industry increased 13.52%, showing that its enhancement of capital productivity was far better than that of knowledge-intensive service industry.

Table 23 Labor productivity and labor cost of unit output of all industries, by enterprise scale and sector

Classification by enterprise scale and sector	Total value of production per person engaged (NT$1,000)			Average Labor compensation per dollar of total value of production (NT$)		
	2006	2001	Change (%)	2006	2001	Change (%)
Overall Average	**3 170**	**2 411**	**31.48**	**0.17**	**0.21**	**-18.22**
Classification by enterprise scale						
Large-scale enterprise	5 101	3 907	30.56	0.14	0.18	-20.47
Medium-scale enterprise	2 389	1 837	30.05	0.19	0.23	-15.83
Small-scale enterprise	1 297	1 062	22.13	0.29	0.33	-10.37
Industrial Sectors	**4 784**	**3 241**	**47.61**	**0.12**	**0.15**	**-23.43**
Large-scale enterprise	8 155	5 408	50.80	0.09	0.12	-26.63
Medium-scale enterprise	3 103	2 196	41.30	0.15	0.18	-19.42
Small-scale enterprise	1 746	1 476	18.29	0.22	0.23	-3.79
Service Sectors	**1 956**	**1 753**	**11.58**	**0.27**	**0.29**	**-7.29**
Large-scale enterprise	2 936	2 786	5.38	0.25	0.26	-5.87
Medium-scale enterprise	1 504	1 335	12.66	0.30	0.33	-7.79
Small-scale enterprise	1 186	970	22.27	0.32	0.36	-11.28
By Sector						
Manufacturing Sector	**5 142**	**3 405**	**51.01**	**0.11**	**0.14**	**-24.21**
Traditional	4 793	3 067	56.28	0.11	0.15	-28.49
Non-traditional	5 878	4 277	37.43	0.11	0.12	-14.36
Service Sectors	**1 956**	**1 753**	**11.58**	**0.27**	**0.29**	**-7.29**
Knowledge-intensive	2 815	3 003	-6.26	0.26	0.26	2.38
Non- knowledge-intensive	1 591	1 314	21.08	0.28	0.32	-13.64

Note:
1. This census based on the definition of OECD (2003) for the classification of knowledge-intensive service industry, which includes finance industry and the Support Services (excluding Travel Agency). However, the finance industry was deeply impacted by dual-card bad debt, while Support Services was heading towards labor-intensive development as dispatch manpower industry was booming lately, and it been affected by the factors as building security and increased cleaning demand. If there were no these factors, the labor productivity of knowledge-intensive service industry in 2006 was NT$2,947,000 with an increase of 3.80% against that of 2001. While its labor cost of unit output decreased 2.55% as against that of 2001, showing that the competitiveness of knowledge-intensive service industry remained to be enhance, after finance industry and Support Services excluded.
2. The rate of change of average labor compensation per dollar of total value of production in this Table was calculated basing on two-year value taking five digits after the decimal.

(3) Change of profit making of the industry and commerce

▲Profit rate of the industry and commerce was 7.23% in 2006, with an increase of 2.30 percentage point against 2001 census.

In 2006, the profit rate of industry and commerce was 7.23%, which increased 2.30 percentage point as against 4.93% of 2001. If we observe from the perspective of enterprise scale, the profit rate as 11.95% of the small-scale enterprise was the highest, which increased 2.78 percentage point for past five years, slightly higher than that of the medium- and large-scale enterprise. Among them, the small-scale enterprise form the industrial sectors increased 7.06 percentage point, and the small-scale enterprise from the service sectors also increased 1.99 percentage point, as the top among various enterprise scale of their sector, showing that the flexible management of small-scale enterprise. In these two major sectors, the profit rate of industrial sector increased more than 100%, reaching 7.87%, which was mainly because the operation of Manufacturing and Construction turned for the better, and their profit rate respectively increased 4.57 percentage point and 5.29 percentage point. As for service sector, since there was slow-down of domestic demand, market was competing with low-profit. Most of all, the profit of large-scale enterprise gradually declined for past five years as the telecom market was maturing, increased payment of compulsory social security, and fierce competition from amusement park and gymnasium center, as a result, the profit rate of service sectors merely increased 0.57 percentage point to 6.60%.

Table 24 Capital productivity and profit making of enterprise of all industries, by enterprise scale and sector

Classification by enterprise scale and sector	Total value of production per dollar of assets used in operation（NT$）			Profit rate （%）		
	2006	2001	Change（%）	2006	2001	Change Percentage
Overall Average	**0.22**	**0.21**	**7.31**	**7.23**	**4.93**	**2.30**
Classification by enterprise scale						
Large-scale enterprise	0.16	0.16	5.19	6.93	4.48	2.45
Medium-scale enterprise	0.57	0.46	25.13	6.61	4.57	2.04
Small-scale enterprise	0.34	0.27	24.16	11.95	9.17	2.78
Industrial Sectors	**0.60**	**0.49**	**21.98**	**7.87**	**3.52**	**4.35**
Large-scale enterprise	0.50	0.41	22.47	8.29	3.35	4.94
Medium-scale enterprise	0.88	0.70	24.89	6.33	3.45	2.88
Small-scale enterprise	0.81	0.51	60.20	14.60	7.54	7.06
Service Sectors	**0.10**	**0.11**	**-8.06**	**6.60**	**6.03**	**0.57**
Large-scale enterprise	0.07	0.08	-14.17	5.38	5.37	0.01
Medium-scale enterprise	0.30	0.25	19.34	6.92	5.73	1.19
Small-scale enterprise	0.28	0.23	18.31	11.46	9.47	1.99
By Sector						
Manufacturing Sector	**0.63**	**0.51**	**22.91**	**8.02**	**3.45**	**4.57**
Traditional	0.76	0.54	40.99	8.04	3.22	4.82
Non-traditional	0.49	0.47	3.34	7.99	3.79	4.20
Service Sectors	**0.10**	**0.11**	**-8.06**	**6.60**	**6.03**	**0.57**
Knowledge-intensive	0.06	0.07	-16.36	8.54	8.18	0.36
Non- knowledge-intensive	0.27	0.24	13.52	5.61	4.93	0.68

Note: The rate of change of capital productivity in this Table was calculated as per two-year value taking five digits after the decimal.

(4) Growth factor analysis of gross value of production for the Manufacturing and service sectors

To enhance gross value of production, an enterprise can achieve through the increased input amount of production factors or efficiency enhancement of production factors (including the improvement of operation and management capability, enhancement of production skill, and scale compensation). However, the growth of input amount of factors gradually has been constrained under limited production resources, while the empis of efficiency enhancement can, in fact, benefit expanded production effect as under this global and highly competitive era. The production factors as found in this section were based on census that resorted to the input definition of persons engaged as the labor input, while fixed assets used in operation were reckoned as capital input; besides, the amount of change for past five years was taken as the change of input amount. In addition, we used Gross Accounting Method further to observe the factors that affect the change of gross value of production. The method of analysis is as follows:

Growth rate of gross value of production	=	effect of increased input amount of production factors + effect of efficiency enhancement of production factors
	=	effect of increased labor input amount + effect of increased capital input amount + effect of efficiency enhancement of production factors
	=	change of labor input amount × labor quota + change of capital input amount × capital quota + effect of efficiency enhancement of production factors

Among them,

1. Effect of increased labor input amount: It refers to the status that the change of input amount of persons engaged that leads to the change of gross value of production.
2. Effect of increased capital input amount: It refers to the change of input amount of fixed assets used in operation that leads to the status that the change of gross value of production.
3. Labor quota: labor compensation in proportion to gross value of production.
4. Capital quota: 1 – labor quota.
5. Effect of efficiency enhancement of production factors = growth rate of gross value of production – effect of increased labor input amount – effect of increased capital input amount.

▲**The gross value of production of Manufacturing increased for past five years, and 93.25% was from the enhancement of input efficiency; 6.75% was from increased input amount. For the increase of gross value of production of non-traditional**

manufacturing, 61.26% was from the enhancement of input efficiency, and 38.74% was from increased input amount.

The gross value of production increase of Manufacturing for past five years can be found into 13.52% as effect of increased input amount of production factors (effect of increased labor input amount as 4.57%, and effect of increased capital input amount as 8.95%), while 43.78% from the effect of input efficiency enhancement, totaling 57.30%. If we observe from the perspective of contribution rate, the contribution rate from the increased input amount was 23.60% (factor of increased labor input was 7.98%, and factor of increased capital input was 15.62%), while the factor of input efficiency enhancement was 76.40%.

If we observe from the perspective of industry, through classification the gross value of production increase of Manufacturing for past five years was 1.92% of effect from the increased input amount of production factors, and 26.51% of effect from input efficiency enhancement, totaling 28.43%. If we observe from the viewpoint of contribution rate, the contribution rate of 93.25% was from the factor of input efficiency enhancement, while the contribution rate from the factor of increased input amount was merely 6.75%, showing that the production skill, operation capability, and even product quality from traditional manufacturing for past five years clearly improved. As for non-traditional manufacturing, its gross value of production increase for past five years was 42.85% of effect from the increased input amount of production factors, and 67.78% from the effect of input efficiency enhancement, totaling 110.63%. If we view from the perspective of contribution rate, 61.26% was from the factor of input efficiency enhancement, while 38.74% was from the factor of increased input amount.

▲**The gross value of production of non-knowledge intensive service industry increased for past five years, 44.61% was from the enhancement of input efficiency, and 55.39% was from increased input amount; for the increase of gross value of production of knowledge-intensive mode, 28.90% was from the enhancement of input efficiency, and 71.10% was from increased input amount.**

The gross value of production increase of the service sectors for past five years can be found that 16.86% of effect was from the increased input amount of production factors (8.00% of the effect from increased amount of labor input, 8.86% from increased amount of capital input), while 12.04% was from input efficiency enhancement, totaling 28.90%. If we observer from the viewpoint of contribution rate, 58.34% of which was from the factor of increased input amount, (27.68% from the factor of increased labor input, and 30.66% from the factor of increased capital input), and the contribution rate from the factor of input efficiency enhancement was 41.66%.

If we observe from the classification of industry, the gross value of production increase of non-knowledge intensive service industry for past five years that 14.02% of the effect was from increased input amount of production factors and the factor of input efficiency enhancement was 11.29%, totaling 25.31%. As we view from contribution rate, 44.61% of which was from the factor of input efficiency enhancement, while 55.39% of the contribution rate was from the factor of increased input amount. For past five years, there was growth with the output of non-knowledge intensive service industry and though it was mainly from the contribution of primary factors for expanded production, there was drastic contribution from its enhancement of production skill, operation capability, and quality. As for the gross value of production increase of knowledge-intensive service industry for past five years, thorugh classification threre was 24.15% of effect from the increased input amount of production factors, and 9.82% from the increased input efficiency enhancement, totaling 33.97%. If we observe from the perspective of contribution rate, since manpower input of Support Services increased over 100%, the contribution rate from the increased of labor input was 46.84%, in addition to the factor of increased capital input, the contribution rate of the entire increased amount of input was 71.10%, whereas the contribution rate of input efficiency enhancement was 28.90%.

Table 25 Growth factor analysis of gross value of production among all industries, by sector

2006 Unit:%

By Sector	Growth rate of gross value of production	Effect of increased input amount of production factors			Effect of efficiency enhancement of production factors	Contribution from growth of gross production			
			Effect of increased labor input amount	Effect of increased capital input amount		Contribution rate from effect of increased input amount of production factors	The effect of increased labor input amount	The effect of increased capital input amount	Contribution rate from effect of efficiency enhancement of production factors
	①=②+⑤	②=③+④	③	④	⑤	⑥=⑦+⑧	⑦=③/①	⑧=④/①	⑤ / ①
Manufacturing Sector	**57.30**	**13.52**	**4.57**	**8.95**	**43.78**	**23.60**	**7.98**	**15.62**	**76.40**
Traditional	28.43	1.92	2.13	-0.21	26.51	6.75	7.49	-0.74	93.25
Non-traditional	110.63	42.85	9.51	33.34	67.78	38.74	8.60	30.14	61.26
Service Sectors	**28.90**	**16.86**	**8.00**	**8.86**	**12.04**	**58.34**	**27.68**	**30.66**	**41.66**
Knowledge-intensive	33.97	24.15	15.91	8.24	9.82	71.10	46.84	24.26	28.90
Non- knowledge-intensive	25.31	14.02	5.13	8.89	11.29	55.39	20.27	35.12	44.61

Note: 1. Growth rate of gross value of production (gross value of production in 2006 – gross value of production in 2001) ÷ gross value of production in 2001 × 100%

2. The effect of increased input amount of production factors can be found in two parts as the effect of increased labor input amount and the effect of increased capital input amount, among them,

(1) the effect of increased labor input amount
= change of labor input amount × labor quota
=[(persons engaged in 2006 – persons engaged in 2001) ÷ persons engaged in 2001] × {[(labor compensation in 2006 ÷ gross value of production in 2006) + (labor compensation in 2001 ÷ gross value of production in 2001)] ÷ 2 } × 100%

(2) the effect of increased capital input amount
= [(fixed assets used in operation in 2006 - fixed assets used in operation in 2001) ÷ fixed assets used in operation in 2001] × (1 – labor quota) × 100%

3. The effect of efficiency enhancement of production factors = growth rate of gross value of production – effect of increased input amount of production factors.

(5) Production distribution outline

1. Change of value-added rate

▲In 2006, the value-added rate of all industries was 39.25%, with a decrease of 2.77% for past five years; however, non-traditional manufacturing and knowledge-intensive service industry demonstrated increase.

As pricing of international raw materials soars, the 60.75% of intermediate consumption in the year 2006 distribution of total production value of all industries remains the highest, which increased 2.77% as against 57.98% in year 2001. It led the result that the value-added rate of all industries of 2006 to drop from 42.02% in 2001 to 39.25%. Among them, medium-scale enterprise dropped 2.92%, being the most, and while small-scale enterprise dropped mildly as 1.00 percentage point.

As we observe from these two major sectors, the value-added rate of the industrial sectors in 2006 was 29.95%, which decreased 2.13 percentage point as against that of 2001, which was mainly affected by the soaring price of petrochemical and basic metals and other raw materials. Though intermediate consumption of Manufacturing evidently clambered as resulted with the lowering of 6.67 percentage point value-added rate, it was not the outcome as non-traditional manufacturing deployed overseas for years, making use of inexpensive manpower and land to effectively lower intermediate consumption, and the value-added rate increased 6.17 percentage point for past five years. The intermediate consumption of non-knowledge intensive service industry of the service sectors increased, while the value-added rate decreased by 3.49 percentage point, but the value-added rate of knowledge-intensive service industry increased 3.83 percentage point, ending up with the fact that the value-added rate of the entire service sectors mildly decreased by 0.23 percentage point as against that of 2001 to 56.36%. It clearly shows that the industry with professional knowledge skill can better create higher benefit.

2. Average gross value of production per person engaged

▲ For past five years, the increase rate of the average gross value of production per person engaged was highest with the large-scale enterprise of the industrial sectors, while that of the service sectors was the lowest.

In 2006, the average gross value of production per person engaged of all industries was NT$1,244,000 with an increase of 22.80% for past five years. Among them, the NT$1,951,000 for large-scale enterprise was the highest, with an increase of 22.09%, which was the most among all scale of enterprise. In addition, the amount of NT$2,545,000 from large-scale enterprise of the industrial sectors was the highest, with the most prominent increase of 41.07% for past five years, showing that though enterprise was deeply affected by soaring price of raw materials it can still create better output with its excellent operation capability. As for large-scale enterprise of service sectors, since there was slow-down of domestic demand, dual-card bad debt, and gradual maturing of telecom market, the gross value of production merely increased 26.89%. In addition to the prominent increase of manpower input, it resulted in the average gross value of production per person engaged to increase only 5.44%, standing at the very end of various scales.

▲**For past five years, there was relatively more increase of employment population with non-traditional manufacturing and knowledge-intensive service Industry, which affected the average gross value of production per person engaged, being most prominent with the knowledge-intensive service industry**

In 2006, the gross value production of knowledge-intensive service industry increased 33.97% as against that of 2001, and it was higher than 25.31% of non-knowledge intensive service industry. However, since there were more persons engaged, it resulted in the gross value of production per person engaged increased only by 0.57%, which was lower than 14.01% of the non-knowledge intensive service mode, showing that the utilization of work force in knowledge-intensive service industry was far from favorable. As for the gross value of production of non-traditional manufacturing increased as much as 110.63%, and since its persons engaged evidently increased for past five years, it resulted in that the average gross value of production per person engaged increased 64.55% only.

Table 26 Distribution of total value of production and the value-added rate of all industries, by enterprise scale and sector

Unit:%

Classification by enterprise scale and sector	Distribution of total value of production								Value added rate	
	Intermediate consumption		Depreciation		Indirect Taxes		Net value of production			
	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001
Overall Average	**60.75**	**57.98**	**4.79**	**5.60**	**1.39**	**2.09**	**33.06**	**34.33**	**39.25**	**42.02**
Classification by enterprise scale										
Large-scale enterprise	61.76	59.09	6.47	7.21	1.66	2.79	30.11	30.91	38.24	40.91
Medium-scale enterprise	64.04	61.12	2.27	3.33	0.74	0.79	32.95	34.76	35.96	38.88
Small-scale enterprise	41.17	40.17	2.50	3.61	1.97	2.28	54.36	53.94	58.83	59.83
Industrial Sectors	**70.05**	**67.92**	**5.36**	**6.50**	**1.31**	**2.24**	**23.27**	**23.33**	**29.95**	**32.08**
Large-scale enterprise	68.80	66.79	7.40	8.79	1.83	3.51	21.97	20.91	31.20	33.21
Medium-scale enterprise	73.36	70.36	2.17	3.34	0.45	0.45	24.01	25.84	26.64	29.64
Small-scale enterprise	58.47	60.66	1.91	4.07	1.03	1.29	38.59	33.99	41.53	39.34
Service Sectors	**43.64**	**43.41**	**3.75**	**4.28**	**1.54**	**1.86**	**51.07**	**50.46**	**56.36**	**56.59**
Large-scale enterprise	47.90	47.92	4.63	4.93	1.33	1.75	46.15	45.39	52.10	52.08
Medium-scale enterprise	40.18	39.84	2.50	3.29	1.48	1.56	55.84	55.30	59.82	60.16
Small-scale enterprise	34.82	33.24	2.71	3.45	2.32	2.61	60.14	60.69	65.18	66.76
By Sector										
Manufacturing Sector	**70.74**	**68.79**	**5.19**	**6.41**	**1.40**	**2.50**	**22.67**	**22.30**	**29.26**	**31.21**
Traditional	75.49	68.82	2.90	4.78	2.06	3.66	19.55	22.73	24.51	31.18
Non-traditional	62.57	68.74	9.12	9.41	0.26	0.34	28.04	21.50	37.43	31.26
Service Sectors	**43.64**	**43.41**	**3.75**	**4.28**	**1.54**	**1.86**	**51.07**	**50.46**	**56.36**	**56.59**
Knowledge-intensive	43.47	47.30	3.74	4.52	1.73	2.07	51.06	46.11	56.53	52.70
Non- knowledge-intensive	43.77	40.28	3.76	4.08	1.40	1.68	51.07	53.95	56.23	59.72

Note:Value added rate means the proportion of gross value of production to associated total value of production.

Table 27 Average gross production of every employee of all industries, by enterprise scale and sector

2006

Classification by enterprise scale and sector	Year-end number of persons engaged		Total value pf production		Intermediate consumption		Gross value of production		Average gross value of production per person engaged	
	(Person)	Diff. w. end of 2001 (%)	(NT$Million)	Diff. w. end of 2001 (%)	(NT$Million)	Diff. w. end of 2001 (%)	(NT$Million)	Diff. w. end of 2001 (%)	(NT$,1000)	Diff. w. end of 2001 (%)
Grand Total (Overall Average)	**7 549 912**	**13.31**	**23 934 031**	**48.97**	**14 539 815**	**56.08**	**9 394 216**	**39.16**	**1 244**	**22.80**
Classification by enterprise scale										
Large-scale enterprise	2 800 194	17.76	14 285 074	53.76	8 822 497	60.71	5 462 577	43.72	1 951	22.09
Medium-scale enterprise	3 193 155	11.31	7 629 422	44.75	4 885 959	51.67	2 743 463	33.87	859	20.31
Small-scale enterprise	1 556 563	9.87	2 019 535	34.16	831 359	37.47	1 188 176	31.94	763	19.97
Industrial Sectors	**3 240 266**	**9.93**	**15 502 853**	**62.28**	**10 860 191**	**67.38**	**4 642 662**	**51.50**	**1 433**	**37.79**
Large-scale enterprise	1 161 796	14.29	9 474 833	72.33	6 518 557	77.51	2 956 277	61.92	2 545	41.70
Medium-scale enterprise	1 768 276	5.67	5 486 337	49.31	4 024 936	55.68	1 461 401	34.19	826	26.88
Small-scale enterprise	310 194	20.35	541 683	42.35	316 699	37.21	224 984	50.28	725	24.78
Service Sectors	**4 309 646**	**15.98**	**8 431 178**	**29.44**	**3 679 624**	**30.14**	**4 751 554**	**28.90**	**1 103**	**11.19**
Large-scale enterprise	1 638 398	20.35	4 810 241	26.83	2 303 941	26.77	2 506 300	26.89	1 530	5.44
Medium-scale enterprise	1 424 879	19.21	2 143 085	34.26	861 023	35.39	1 282 062	33.51	900	12.08
Small-scale enterprise	1 246 369	7.53	1 477 852	31.39	514 661	37.64	963 192	28.28	773	19.29
By Sector										
Manufacturing Sector	**2 695 984**	**11.09**	**13 863 134**	**67.78**	**9 807 357**	**72.54**	**4 055 778**	**57.30**	**1 504**	**41.62**
Traditional	1 829 190	4.56	8 767 798	63.40	6 619 189	79.25	2 148 609	28.43	1 175	22.91
Non-traditional	866 794	27.96	5 095 337	75.89	3 188 168	60.09	1 907 169	110.63	2 200	64.55
Service Sectors	**4 309 646**	**15.98**	**8 431 178**	**29.44**	**3 679 624**	**30.14**	**4 751 554**	**28.90**	**1 103**	**11.19**
Knowledge-intensive	1 286 711	33.24	3 621 563	24.90	1 574 435	14.80	2 047 128	33.97	1 591	0.57
Non- knowledge-intensive	3 022 935	9.92	4 809 615	33.08	2 105 188	44.60	2 704 427	25.31	895	14.01

3. Distribution of net production

▲The structure of labor compensation and enterprise rewards demonstrated prominent change of increase and decline for past five years.

If we observe from the net production structure as calculated from production factors, labor compensation of 51.62% should remain the most from the distribution of net production of the industry and commerce in 2006, but it dropped by 9.17 percentage point as against 60.79% of 2001. Then, enterprise rewards amounted to 42.82% and ranked second in position, which increased 12.81 percentage point as against 30.01$ of 2001. As for net amount of expenditures on rental money, its proportion slightly reduced to 3.40%. Since interest rate was on the decline, in addition to diversified enterprise financing instruments, ever flexible of capital maneuver, the proportion of net amount of expenditures on interest dropped 2.16%, showing that the benefit generated by the industry and commerce distributed to each production factor. Besides, labor compensation demonstrated decline, and enterprise rewards increased, showing the change of increase and decrease between the two.

▲For past five years, the structure of change of increase and decline was most prominent regarding labor compensation and enterprise rewards of large-scale enterprise from the industrial sectors.

In 2006, labor compensation of the industrial sectors amounted to 49.63% in proportion, with decrease of 15.03 percentage point as against that of 2001, while enterprise rewards increased 20.53%, reaching 46.34%, especially the labor compensation of large-scale enterprise reduced 17.99 percentage point to 41.68%. Enterprise rewards increased 25.12 percentage point to 54.28%, and the change of increase and decrease between the two was most prominent. For service sectors, labor compensation amounted to 53.29% in proportion, with decrease of 4.88 percentage point, while enterprise rewards increased 7.01 percentage point to 39.87%. Among them, the labor compensation structure of small-scale enterprise reduced 6.19 percentage point to 52.99%, and enterprise rewards increased 9.65 percentage point to 40.37%, with prominent change of increase and decrease between the two. If we view about the knowledge-intensive level, the labor compensation structure of knowledge-intensive service industry reduced 4.22 percentage point, much lower than 5.23 percentage point of the non-knowledge intensive mode, as it was the result of the urgent need for high-end talents for knowledge-intensive service industry.

▲In 2006, the enterprise rewards of non-traditional manufacturing amounted to 59.12% of the net production, with an increase of 24.99% for past five years

In 2006, regarding the distribution of net production of manufacturing, labor compensation amounted to 47.58%, with decrease of 16.23 percentage point, while the net amount of expenditures on interest decreased by 5.14 percentage point to 2.75% and the proportion of enterprise rewards largely increased 22.05 percentage point to 48.54%, surpassing the proportion of labor compensation. Among them, though the labor compensation of traditional manufacturing demonstrated decline for past five years, it still stands at the top in the distribution of net production. For non-traditional manufacturing, the enterprise rewards largely increased 24.99 percentage point to 59.12% for past five years, surpassing the labor compensation structure, and its shows that the relocation of low-end production line already becomes important mode of management under the context of global operation deployment. Hence, the use of inexpensive labor force in the newly emerging countries to lower production cost and enhance competitive advantage achieved expanded operation scale, leading to the decline of labor compensation structure.

Table 28 Distribution of net production (at the cost of production factors) of all industries, by enterprise scale and sector

Unit:%

Classification by enterprise scale and sector	Labor compensation		Net value of rents		Net value of interests		Enterprise rewards	
	2006	2001	2006	2001	2006	2001	2006	2001
Overall Average	**51.62**	**60.79**	**3.40**	**4.41**	**2.16**	**4.79**	**42.82**	**30.01**
Classification by enterprise scale								
Large-scale enterprise	47.57	58.27	3.15	3.64	2.11	5.36	47.18	32.73
Medium-scale enterprise	57.53	64.78	3.26	3.93	2.72	5.43	36.49	25.85
Small-scale enterprise	53.97	60.69	4.73	8.20	1.07	1.36	40.22	29.75
Industrial Sectors	**49.63**	**64.66**	**1.12**	**1.70**	**2.92**	**7.84**	**46.34**	**25.81**
Large-scale enterprise	41.68	59.67	0.86	1.07	3.18	10.10	54.28	29.16
Medium-scale enterprise	60.84	70.16	1.48	1.98	2.83	5.97	34.85	21.90
Small-scale enterprise	58.15	68.62	1.40	5.34	0.85	1.39	39.60	24.65
Service Sectors	**53.29**	**58.17**	**5.32**	**6.24**	**1.52**	**2.73**	**39.87**	**32.86**
Large-scale enterprise	53.09	57.34	5.29	5.35	1.10	2.19	40.52	35.11
Medium-scale enterprise	53.88	59.01	5.23	6.04	2.59	4.85	38.29	30.11
Small-scale enterprise	52.99	59.18	5.52	8.74	1.13	1.35	40.37	30.72
By Sector								
Manufacturing Sector	**47.58**	**63.81**	**1.14**	**1.80**	**2.75**	**7.89**	**48.54**	**26.49**
Traditional	55.68	66.96	1.16	1.70	3.44	8.75	39.71	22.59
Non-traditional	37.86	57.65	1.10	2.01	1.92	6.21	59.12	34.13
Service Sectors	**53.29**	**58.17**	**5.32**	**6.24**	**1.52**	**2.73**	**39.87**	**32.86**
Knowledge-intensive	51.75	55.97	3.45	4.28	0.30	0.39	44.50	39.36
Non- knowledge-intensive	54.45	59.68	6.73	7.59	2.44	4.34	36.38	28.40

Note: Enterprise rewards includes profit, transfer expenditures to government (or private organization), bad-debt loss, and other non-operation expenditures etc.

(6) For past five years, the trade of the industry and commerce with fast development

▲Top 500 enterprises in terms of operating revenues from the industrial sectors enjoyed 79.41% growth with their total value of production.

In 2006, the top 500 enterprises of operating revenues of the industrial sectors performed brilliantly with the utilization of resource inputs. The person engaged input increased 14.64% as against to that of 2001, with an increase of assets used in operation as 44.40%, while the growth rate of the total value of production achieved as much as 79.41%, being the key that stimulated the growth of the entire industrial sectors. In comparison, the top 500 enterprises of the service sectors performed relatively weak as they reduced persons engaged by 0.60%, with an increase of assets used by 47.41%, and the growth of production value increased only 19.83%.

As we further correlate the contribution rate of the top 500 enterprises from these two major sectors, the top 500 enterprises from the industrial sector took in as many as 22.72% of the persons engaged, and created 54.31% of the production value, which were higher than 21.78% and 49.13% as found in 2001 census. On the other hand, the top 500 enterprises of the service sectors took in 15.36% of the persons engaged, and created 38.63% of production value, slightly lower than 17.92% and 41.73% as found in 2001 census.

Table 29 Operation outline for the enterprise units of all industries, by scale sorting of operating revenues

Ranked by Operating Revenues	Year-end number of persons engaged (1,000 persons)		Year-end value of assets used in operation (NT$Billion)		Year-round total value of production (NT$Billion)		Year-round total revenues (NT$Billion)	
	2006	2001	2006	2001	2006	2001	2006	2001
Grand Total	**7 550**	**6 663**	**106 663.2**	**76 835.7**	**23 934.0**	**16 066.5**	**44 019.8**	**27 003.8**
Industrial Sectors	**3 240**	**2 948**	**25 942.0**	**19 499.5**	**15 502.9**	**9 552.9**	**21 826.8**	**11 726.1**
Top 500 enterprises	736	642	16 719.9	11 579.1	8 420.0	4 693.2	13 624.1	5 976.0
Top 501～ 1000 enterprises	184	175	1 759.2	1 447.5	1 124.7	708.9	1 499.6	931.7
Other enterprises	2 320	2 132	7 462.9	6 473.0	5 958.2	4 150.8	6 703.1	4 818.3
Service Sectors	**4 310**	**3 716**	**80 721.2**	**57 336.2**	**8 431.2**	**6 513.6**	**22 193.0**	**15 277.7**
Top 500 enterprises	662	666	59 862.5	40 610.9	3 256.8	2 717.9	10 894.6	7 129.8
Top 501～ 1000 enterprises	182	150	2 972.0	1 979.9	547.3	372.6	1 211.0	777.3
Other enterprises	3 466	2 900	17 886.7	14 745.3	4 627.1	3 423.1	10 087.4	7 370.6

▲In 2006, total value of production of Electronic Parts & Components Manufacturing was with the largest increase amount of money.

Based on the increased amount of total value of production to observe domestic industrial development, the increased amount for total value of production of the top 10 subsectors in 2006 would be the top 10 in ranking in terms of total value of production among all industries too. It shows that domestic industrial development was getting more concentrated under the trend that the large was keeping bigger. In view of these 10 major subsectors, 7 of them were from the Manufacturing, showing that Manufacturing was the focus of domestic industry with tremendous strength. Among them, the Electronic Parts and Components Manufacturing, as of semiconductor and optoelectronic industrial development, invested large amount of manpower and financial assets, totaling NT$1.7 trillion, ranked at the top. Though Petroleum and Coal Products Manufacturing, Chemical Material Manufacturing, and Basic Metal Manufacturing did not expand plants in large scale and limited investment of relevant resources, they got the benefits from the soaring pricing of raw materials; as a result, they ranked 2, 3, and 4 respectively in terms of increase with their total value of production. For service sectors, there were only three of the subsectors ranked on the top 10 list of the total value of production. Since there was entry of many enterprises in Wholesale and Retail Industry, which stimulated the input of manpower and capital, turning its increased amount of money with its total value of production to rank at 5 and 9 on the list respectively.

Table 30 Operation outline of the trade with faster growth of total value of production, by subsector

2006

By Subsector	Year-round total value of production			Year-end number of persons engaged			Year-end number of enterprise units			Year-end value of assets used in operation		
	(NT$Billion)	Ranking	Diff. w. yr. 2001 (NT$Billion)	(Person)	Ranking	Diff. w. end of 2001 (person)	(Enterprise)	Ranking	Diff. w. end of 2001 (Enterprise)	(NT$Billion)	Ranking	Diff. w. end of 2001 (%)
Grand Total	**23 934.0**	-	**7 867.5**	**7 549 912**	-	**886 562**	**1 105 102**	-	**169 786**	**106 663.2**	-	**38.82**
Top 10 subsectors with increase of total value of production												
Electronic Parts & Components Manufact.	3 277.9	1	1 734.5	543 607	3	186 785	5 680	27	386	6 401.3	3	75.69
Petroleum and Coal Products Manufact.	1 311.4	5	756.9	20 247	57	-2 702	196	70	17	1 052.5	15	34.53
Chemical Material Manufacturing	1 354.3	3	755.9	83 254	21	11 500	1 321	55	221	2 155.2	8	74.76
Basic Metal Manufacturing	1 164.6	7	679.2	99 068	17	11 740	4 506	32	648	1 161.7	14	36.93
Wholesale Trade	1 617.3	2	410.9	1 041 049	1	50 870	200 224	2	42 311	4 255.6	4	-7.49
Fabricated Metal Products Manufacturing	946.6	8	376.7	333 322	4	55 557	38 405	7	2 105	902.8	17	21.12
Machinery and Equipment Manufacturing	735.8	10	317.1	234 811	8	37 496	18 003	10	1 083	827.5	21	21.15
Computers,Electronic & Optic Prod. Manuf.	1 269.4	6	279.1	200 155	10	3 896	3 445	40	98	3 114.4	6	71.58
Retail Trade	933.2	9	232.9	848 875	2	43 255	289 793	1	9 543	3 489.5	5	16.38
Financial Intermediation	1 335.9	4	231.0	199 651	11	21 070	7 572	20	2 990	49 819.1	1	42.40

(7) The industry with faster enhancement in terms of industrial value

▲For industry with faster enhancement of value-added rate, the Beverage Manufacturing was found leading in the industrial sectors, while Employment Services was leading in the service sectors.

If we observe basing on percentage of valued-added rate, the top 5 subsectors with increase from the industrial sectors should, at least, increased 3.91 percentage point, clearly higher than that of the industrial sectors as it reduced with an average of 2.13 percentage point. Among them, the value-added rate of Beverage Manufacturing, Electronic Parts & Components Manufacturing, Computer, Electronic and Optical Products Manufacturing were respectively as 6.59 percentage point, 6.57 percentage point, and 6.37 percentage point, being the most. Besides, the aggregate incrases of total value of production in persons engaged, assets used in operation, and the increase of input and output for Electronic Parts & Components Manufacturing, and Computer, Electronic and Optical Products Manufacturing amounted to 65.16%, 62.97%, and 33.84% of entire industrial sectors respectively, showing that these two industries are, indeed, the focus of the industrial sectors.

As for the top 5 subsectors from the service sectors in terms of value-added rate, they were Employment Services, Buildings and Greenery Services, Financial Intermediation, Security and Investigation Services, and Broadcasting and Programming respectively. Their value-added rate was 5th, 18th, 1st and 34th respectively in the ranking of the service sectors, showing that they were mostly highly value-added industry with high-speed of increase rate. As a whole, they were most beneficial positively for the entire service sectors; however, the rest industries were rather small in scale, aside from that of Financial Intermediation, and under the restriction in performance enhancement to the entire service sectors.

Table 31 Operation outline of industry with faster growth of value-added rate, by subsector

2006

By Subsector	Value added rate			Year-end number of persons engaged		Year-end number of enterprise units		Year-end value of assets used in operation		Year-round total value of production	
	(%)	Ranking	Diff. w. yr. 2001 (Pct.)	(Person)	Diff. w. end of 2001 (Person)	(Enterprise)	Diff. w. end of 2001 (Enterprise)	(NT$Billion)	Diff. w. end of 2001 (NT$Billion)	(NT$Billion)	Diff. w. yr. 2001 (NT$Billion)
Grand Total (Overall Average)	**39.25**	**-**	**-2.77**	**7 549 912**	**886 562**	**1 105 102**	**169 786**	**106 663.2**	**29 827.5**	**23 934.0**	**7 867.5**
Industrial Sectors	**29.95**	**-**	**-2.13**	**3 240 266**	**292 615**	**226 048**	**25 158**	**25 942.0**	**6 442.5**	**15 502.9**	**5 949.9**
Top 5 subsectors with increase of value added rate											
Beverages Manufacturing	42.23	6	6.59	9 467	-4 121	585	366	68.8	-88.3	45.1	-26.3
Electronic Parts & Components Manufact.	40.84	10	6.57	543 607	186 785	5 680	386	6 401.3	2 757.8	3 277.9	1 734.5
Computers,Electronic & Optic Prod. Manuf.	34.09	15	6.37	200 155	3 896	3 445	98	3 114.4	1 299.3	1 269.4	279.1
Specialized Construction	42.02	8	5.47	309 821	76 937	57 498	19 482	606.4	125.1	544.7	188.7
Wastewater (Sewage) Treatment	38.51	11	3.91	1 672	169	558	193	5.3	0.7	3.5	0.3
Service Sectors	**56.36**	**-**	**-0.23**	**4 309 646**	**593 947**	**879 054**	**144 628**	**80 721.2**	**23 385.0**	**8 431.2**	**1 917.6**
Top 5 subsectors with increase of value added rate											
Employment Services	78.67	2	14.37	83 002	69 719	2 357	1 547	31.8	18.8	43.7	33.4
Buildings and Greenery Services	72.75	5	12.41	58 130	34 152	4 362	1 687	28.4	7.3	37.4	15.9
Financial Intermediation	57.16	18	9.53	199 651	21 070	7 572	2 990	49 819.1	14 833.5	1 335.9	231.0
Security and Investigation Services	79.75	1	9.40	64 127	29 436	542	184	56.7	20.0	39.5	9.9
Broadcasting and Programming	39.74	34	5.80	21 701	750	335	51	230.2	41.7	94.1	18.0

(8) Operation outline of overseas production of Manufacturing

▲Overseas production of the Manufacturing amounted to 27.10%, while traditional industry accounted only 4.68%, and non-traditional industry largely increased 48.31%.

In 2006, the operating revenues of Manufacturing was NT$19 trillion and 725.2 billion, while the proportion of its overseas production increased from 7.35% of 2001 to 27.10% of 2006, with an increase of 19.75% for past five years. Among them, the proportion of overseas production of traditional manufacturing was 4.68% in 2006, with only an increase of 2.29 percentage point as against that of 2001, showing that the traditional industry of manufacturing was still taking Taiwan as its hub of production. As for non-traditional industry, its operating revenues for last five years, it increased NT$6.1 trillion, while the contribution from overseas production was nearly NT$4.3 trillion, leading to the result that the proportion of overseas production largely increased from 14.88% of 2001 to 48.31% of 2006. As for Information Products Manufacturing, its operating revenues more than 90% of such for non-traditional industries.While 49.71% of its operating revenues were from overseas production, with an amount reaching NT$4.6 trillion, showing that the global deployment strategy with the model of “Order receipt in Taiwan, and producing overseas” already become an important trend for the operation of non-traditional industry.

▲ Oversea production of large-scale Information Product Manufacturing surged to 60%.

”Electronic Parts & Components Manufacturing” and “Computer, Electronic and Optical Products Manufacturing” were of the most important Information Products Manufacturing in Taiwan, while the relatively large scale computer, semiconductor, optical, and flat display manufacturers of Taiwan were embraced in it. In 2006, if we observe the management mode of its production and distribution from the operating revenues of the top 100 manufacturers from these two industries (amounting to 74.59% of the operating revenues of these two industries), their proportion of domestic production was 80.78% in 2001, and the proportion of oversea production was 19.22%. In 2006, the proportion of domestic production already lowered to 42.15% while oversea production increased 57.85%. Since manufacturers of domestic information product with the advantages of R&D design, purchase cost of component, and global marketing, such mode of production and distribution by the Manufacturing thus became the mainstream for the Manufacturing among non-traditional industries. If the production model of manufacturing was separated into “Manufacturing”, “Repairs and maintenance”, “Processing for others”, “Manufacture outsourcing with self-driven R&D and design” for 100 manufacturers in 2006 the production model for 46 of them was found to be of “Manufacture outsourcing with self-driven R&D and design ” while the proportion of oversea production reached even higher as 85.11%.

Table 32 Domestic manufacturing and oversea production among the Manufacturing

Sector and primary operation mode	Year-end number of enterprise units (Number)	Operating revenues								
		2006			2001			Change		
		(NT$Million)	Proportion of domestic production (%)	Proportion of oversea production (%)	(NT$Million)	Proportion of domestic production (%)	Proportion of oversea production (%)	(NT$Million)	Domestic production (NT$Million)	Oversea production (NT$Million)
Manufacturing Sector	**148 017**	**19 725 164**	**72.90**	**27.10**	**10 170 095**	**92.65**	**7.35**	**9 555 069**	**4 957 386**	**4 597 682**
Traditional	**132 982**	**9 589 849**	**95.32**	**4.68**	**6 133 939**	**97.61**	**2.39**	**3 455 910**	**3 153 722**	**302 188**
Non-traditional	**15 035**	**10 135 315**	**51.69**	**48.31**	**4 036 156**	**85.12**	**14.88**	**6 099 159**	**1 803 664**	**4 295 495**
Information product manufacturing	9 125	9 305 102	50.29	49.71	3 606 740	83.87	16.13	5 698 362	1 654 434	4 043 928
Large-scale	100	6 940 760	42.15	57.85	1 869 906	80.78	19.22	5 070 853	1 415 074	3 655 779
Manufacturing	52	2 627 428	85.93	14.07	803 715	96.81	3.19	1 823 713	1 479 565	344 147
Processing for others	2	30 240	100.00	-	6 806	100.00	-	23 433	23 433	-
Manufacture outsourcing with self-driven R&D and design	46	4 283 092	14.89	85.11	1 059 385	68.49	31.51	3 223 707	-87 925	3 311 632

Note:1.Information products manufacturing refers to “Electronic Parts & Components Manufacturing” and “Computer, Electronic & Optical Products Manufacturing” two subsectors.
2.Large scale information products manufacturing refers to the top 100 enterprises in the operating revenues of year 2006.
3.Overseas production implies manufacturing overseas for clients’ orders taken in Taiwan; the overseas production of year 2001 only include those of triangular trades.

5. Operation mode

(1) Operation digitization status

▲Extent of computerization of large-scale enterprise was evidently higher than that of medium- and small-scale enterprises.

Computer and information technology as well as Internet have already become such inevitable factor in the management system of enterprise. Along with the fast development of Internet, transaction model of E-commerce turned into one of the most powerful and influential marketing channels around the globe. In 2006, there were as many as 494,040 enterprises or 44.71% of the industry and commerce that made us of computer equipment, while there were 440,064 enterprises or 39.82% of the industry and commerce that resorted computerized internal management. Moreover, there were 196,350 enterprises or 17.77% of the industry and commerce that resorted to E-commerce (referring to enterprises working in any of the business as “provision of business information through Internet,” “on-line purchase,” or “on-line sale). Among them, the utilization rate of computer equipment by large-scale enterprises reached 94.56%, and the implementation of computerized internal management was 92.72%, while the employment of E-commerce reached 73.60%, clearly much higher than that of the medium- and small-scale enterprises. Most of all, large-scale enterprise of industrial sectors with the use of computer equipment and implementation of computerized internal management achieved as high as 98.05% and 97.14% respectively, while the use of E-commerce reached 80.88%, and all of them were higher than that of the service sectors, showing their extent and depth of their digitalization. As for the proportion of small-scale enterprise in every item, it was at the very end of every scale, showing that their extent of digitization remained to enhance.

▲The year-round on-line purchase amount of industry and commerce was about NT$587.9 billion, while on-line sale was about NT$652.2 billion.

For outline of industry and commerce making use of E-commerce in 2006, there were as many as 184,282 enterprises resorting to Internet to provide business information, which amounted to 16.86% of all industries. Among them, 46,755 enterprises or 20.68% were from industrial sectors, much higher than 15.64% of the service sectors. As we observe from the perspective of scale, large-scale enterprises with 72.53% was the highest, while 80.33% of the large-scale enterprise from the industrial sectors was higher than 70.63% of the large-scale enterprise of the service sectors.

If we observe from Internet transaction, the year-round total value of on-line purchase by the industry and commerce in 2006 was about NT$587.9 billion, while one-line sale was about NT$652.2 billion. Among them, the amount of on-line purchase and sale by industrial sectors was NT$404.1 billion and NT$491.9 billion, which amounted to 68.74% and 75.41% of the on-line purchase and sale of all industries. Besides, as the integration of upper-, middle-, and lower-steam supply and sale system made the largest contribution, the large-scale enterprise was actively introducing ERP system.

▲For the small-scale enterprises in the conduct of E-commerce, their on-line purchase and sale amount proportioned to the highest in their business expenditures and revenues, and Internet already became their important transaction channel.

As we observe Internet transaction of E-commerce, for those that conducted on-line purchase in 2006, their on-line purchase amount amounting to 11.16% of their operating expenditures, and those that conducted on-line sale amount amounting to 9.34% of their operating revenues. Among them, the proportion of on-line purchase and sale of small-scale enterprise amounted respectively as 16.44% and 15.67%, being relatively higher than that of the medium- and large-scale enterprises, and showing that Internet transaction already became their important channel of operation.

Table 33 Status of operation digitization of all industries, by enterprise scale and sector

2006 Unit:Enterprise

Classification by enterprise scale and sector	Year-end number of enterprises	Utilization of computer equipment		Computerization of internal management		E-commerce	
		Number of enterprises	Proportion to the industry (%)	Number of enterprises	Proportion to the industry (%)	Number of enterprises	Proportion to the industry (%)
Grand Total	**1 105 102**	**494 040**	**44.71**	**440 064**	**39.82**	**196 350**	**17.77**
Classification by enterprise scale							
Large-scale enterprise	8 397	7 940	94.56	7 786	92.72	6 180	73.60
Medium-scale enterprise	223 129	181 213	81.21	169 809	76.10	84 378	37.82
Small-scale enterprise	873 576	304 887	34.90	262 469	30.05	105 792	12.11
Industrial Sectors	**226 048**	**128 517**	**56.85**	**117 788**	**52.11**	**49 203**	**21.77**
Large-scale enterprise	1 642	1 610	98.05	1 595	97.14	1 328	80.88
Medium-scale enterprise	94 416	75 168	79.61	70 700	74.88	32 899	34.84
Small-scale enterprise	129 990	51 739	39.80	45 493	35.00	14 976	11.52
Service Sectors	**879 054**	**365 523**	**41.58**	**322 276**	**36.66**	**147 147**	**16.74**
Large-scale enterprise	6 755	6 330	93.71	6 191	91.65	4 852	71.83
Medium-scale enterprise	128 713	106 045	82.39	99 109	77.00	51 479	40.00
Small-scale enterprise	743 586	253 148	34.04	216 976	29.18	90 816	12.21
By Sector							
Manufacturing Sector	**148 017**	**91 393**	**61.74**	**84 736**	**57.25**	**36 882**	**24.92**
Traditional	132 982	79 175	59.54	73 247	55.08	29 961	22.53
Non-traditional	15 035	12 218	81.26	11 489	76.42	6 921	46.03
Service Sectors	**879 054**	**365 523**	**41.58**	**322 276**	**36.66**	**147 147**	**16.74**
Knowledge-intensive	113 682	89 687	78.89	80 051	70.42	34 948	30.74
Non- knowledge-intensive	765 372	275 836	36.04	242 225	31.65	112 199	14.66

Note: E-commerce refers to enterprise that conducted any of the businesses as “provision of business information through Internet,” “on-line purchase,” or “on-line sale”

Table 34 Outline of all industries in utilization of E-commerce, by enterprise scale and sector

2006 Unit:Enterprise、NT$Million

Classification by enterprise scale and sector	Year-end number of enterprises	Provision of business information through Internet		On-line purchase			On-line sale		
		Number of enterprises	Proportion to the industry (%)	Number of enterprises	Amount	Propor-tion to The operating expen-ditures (%)	Number of enterprises	Amount	Propor-tion to the operating revenues (%)
Grand Total (Overall Average)	**1 105 102**	**184 282**	**16.68**	**41 396**	**587 909**	**11.16**	**36 655**	**652 201**	**9.34**
Classification by enterprise scale									
Large-scale enterprise	8 397	6 090	72.53	846	417 638	10.08	985	512 656	8.49
Medium-scale enterprise	223 129	80 282	35.98	17 830	144 040	14.88	14 664	115 300	14.60
Small-scale enterprise	873 576	97 910	11.21	22 720	26 231	16.44	21 006	24 246	15.67
Industrial Sectors	**226 048**	**46 755**	**20.68**	**9 275**	**404 132**	**13.73**	**5 857**	**491 850**	**21.78**
Large-scale enterprise	1 642	1 319	80.33	136	338 346	13.59	96	433 826	22.37
Medium-scale enterprise	94 416	31 456	33.32	6 308	63 543	14.60	4 085	56 643	18.44
Small-scale enterprise	129 990	13 980	10.75	2 831	2 243	12.40	1 676	1 381	11.34
Service Sectors	**879 054**	**137 527**	**15.64**	**32 121**	**183 777**	**7.90**	**30 798**	**160 351**	**3.39**
Large-scale enterprise	6 755	4 771	70.63	710	79 292	4.80	889	78 830	1.92
Medium-scale enterprise	128 713	48 826	37.93	11 522	80 498	15.10	10 579	58 657	12.15
Small-scale enterprise	743 586	83 930	11.29	19 889	23 988	16.95	19 330	22 865	16.04
By Sector									
Manufacturing Sector	**148 017**	**35 493**	**23.98**	**6 028**	**396 695**	**14.18**	**4 726**	**490 675**	**22.01**
Traditional	132 982	28 829	21.68	4 628	287 334	16.64	3 693	327 575	24.31
Non-traditional	15 035	6 664	44.32	1 400	109 361	10.21	1 033	163 100	18.50
Service Sectors	**879 054**	**137 527**	**15.64**	**32 121**	**183 777**	**7.90**	**30 798**	**160 351**	**3.39**
Knowledge-intensive	113 682	32 757	28.81	7 673	14 060	1.89	4 977	27 187	0.77
Non- knowledge-intensive	765 372	104 770	13.69	24 448	169 717	10.74	25 821	133 165	11.21

Note: "The proportion of on-line purchase amount to the business expenditures" refers that if there was on-line purchase, the calculation of purchase amount was according to its proportion to the business expenditures. "the proportion of on-line purchase amount to the operating revenues" refers that if there was on-line purchase, the purchase amount was calculated of its proportion to the operating revenues.

(2) Chain management system outline

▲In 2006, a total of 2,449 enterprises from Wholesale and Retail Trade, Accommodation and Food Services, and Service Sectors had invested themselves into the chain management system, with a possession of nearly 60,000 business strongholds domestically and internationally.

Chain system has become the mainstream of commercial development as it makes use of collective purchase and marketing, with the flexibility of small-scale enterprise and advantage of economy scale of large-scale enterprise. By the end of 2006, a total of 2,449 enterprises of the Wholesale and Retail Trade, Accommodation and Food Services, and Service Sectors (including Information and Communication, Real Estate, Professional Scientific and Technical Services, Support Services, Compulsory Social Security, Education, Human Health and Social Work Services, Arts, Entertainment and Recreation Service, and Other services) resorted to chain management mode, in possession of 59,698 business strongholds in the country. In addition, there were 13,442 directly operated branches, with each of them in possession of 7.1 branches. As a whole, the number of franchised stores amount to 46,256, with each establishment in possession of 51.8 franchised stores. As for the Wholesale and Retail Trade, Accommodation and Food Services, Information and Communication, and Education that had opened for overseas franchise, it amounted to 10 enterprises, while the number of oversea franchised stores totaled to 301 establishments. Among them, though there were only three establishments in the Wholesale and Retail Trade, there were as many as 261 overseas franchised stores, being the most. Besides, there were also three enterprises opened for overseas franchise, and there were 32 overseas franchised stores.

For those enterprises with management of chain system, there were 1,362 enterprises among the Wholesale and Retail Trade, being the most, with 8,376 branch units. As for relevant industries that had opened for domestic franchising, that there were 441 enterprises, with Wholesale and Retail Trade reckoned the most. Since convenience store, chain beverage store, and breakfast store were booming, the number of franchised stores amounted to as many as 27,885 establishments, being the second by 175 establishments from Accommodation and Food Services, with 3,272 franchised stores; among them, there were 3,200 establishments of the chain food system, being the most.

(3) Long-term investment status

▲For long-term investment, the mainstream was mostly from large-scale enterprise, while non-traditional manufacturing and knowledge-intensive service industry mostly carried out long-term investment overseas.

After 1980s, domestic enterprises had become interested with oversea investment as our economic development and relative profit changed. By the end of 2006, the monetary amount of long-term investment by all industries reached NT$23 trillion and 352.2 billion, amounting to 21.89% of the assets used in operation. Among them, domestic long-term investment reached NT$10 trillion and 539.2 billion, while oversea long-term investment NT$12 trillion and 813.0 billion. If we observe from different sectors, the amount of service sectors as NT$ 19 trillion and 428.3 billion was the most; among them, the top 100 large-scale knowledge-intensive and service industries before operating revenues reached over 80%, which was mainly from Finance and Insurance of the financial investment. The amount for overseas investment by the industrial sectors reached NT$3 trillion and 923.9 billion, while the Manufacturing reckoned 98.15% as the most, and large-scale manufacturing amounted to nearly 70% among them. However, the monetary amount of domestic long-term investment remained greater than oversea long-term investment, and if we view from large-scale manufacturing, the monetary amount of domestic long-term investment by traditional manufacturing was of 2.78 times to that of oversea long-term investment, while the monetary amount of domestic long-term investment of non-traditional manufacturing was slightly higher than that of domestic investment. Large-scale manufacturing aggressively invested overseas, making use of productivity to enhance their competitiveness; moreover, they were still somewhat impacted by the trend of micro-profit, showing that the pace of domestic large-scale enterprises were mostly reckoned as of defensive investment as they relocate their production overseas.

Table 35 Management status of chain operation of Wholesale and Retail Trade, Accommodation and Food Services, and Service Sectors (Note 1), by sector

2006 Unit:Enetrprise

By Sector	Year-end number of enterprises	Open for chain management									
		Number of enterprises	Number of branches			Domestic franchised store			Overseas franchised store		
			Number of enterprises with branches (Note 2) ①	Total number of branches ②	The number of branches of every establishment owns in average ②/①	Number of domestic franchised store ③	Number of franchised stores ④	Number of franchised stores of every establishment in average ④/③	Number of overseas franchised stores ⑤	Number of franchised stores ⑥	Number of franchised stores ⑥/⑤
Grand Total (Overall Average)	**809 735**	**2 449**	**1 895**	**13 442**	**7.1**	**893**	**46 256**	**51.8**	**10**	**301**	**30.1**
Wholesale and Retail Trade	490 017	1 362	1 152	8 367	7.3	441	27 885	63.2	3	261	87.0
Wholesale Trade	200 224	494	381	1 546	4.1	211	15 586	73.9	2	(D)	(D)
Retail Trade	289 793	868	771	6 821	8.8	230	12 299	53.5	1	(D)	(D)
Accommodation and Food Services	88 739	284	149	1 536	10.3	175	3 272	18.7	3	32	10.7
Accommodation Services	4 582	21	17	50	2.9	6	72	12.0	-	-	-
Food and Beverage Services	84 157	263	132	1 486	11.3	169	3 200	18.9	3	32	10.7
Information and Communication	11 907	57	47	715	15.2	21	3 957	188.4	1	(D)	(D)
Real Estate	15 675	77	52	254	4.9	45	2 171	48.2	-	-	-
Prof. Scientific and Technical Services	40 719	57	42	110	2.6	17	2 950	173.5	-	-	-
Support Services	21 056	185	172	778	4.5	20	394	19.7	-	-	-
Compulsory Social Security	4	-	-	-	-	-	-	-	-	-	-
Education	14 428	90	44	199	4.5	59	3 916	66.4	3	(D)	(D)
Human Health and Social Work Services	27 548	177	173	1 075	6.2	4	110	27.5	-	-	-
Arts, Entertainment and Recreation	17 919	29	16	118	7.4	13	110	8.5	-	-	-
Other Services	81 723	131	48	290	6.0	98	1 491	15.2	-	-	-

Note:
1. Service sectors includes Information and Communication, Real Estate, Professional, Scientific and Technical Services, Support Services, Compulsory Social Security, Education, Human Health and Social Work Service, Arts, Entertainment and Recreation Service, and other services.
2. Number of enterprises with branches refers to the enterprise that owns more than 2 establishments in operation of branches of similar industry division.
3. (D):It implies that statistics in these cells are not presented to protect the data of individual enterprises associated.

Table 36 Domestic and overseas long-term investment status of all industries, by sector

End of 2006 Unit:NT$Million

By Sector	Total			Domestic			Overseas		
	Amount	Proportion as amounted to the assets actually utilized (%)	Proportion as amounted to the actual tangible fixed assets actually utilized (%)	Amount	Proportion as amounted to the assets actually utilized (%)	Proportion as amounted to the actual tangible fixed assets actually utilized (%)	Amount	Proportion as amounted to the assets actually utilized (%)	Proportion as amounted to the actual tangible fixed assets actually utilized (%)
Grand Total (Overall Average)	**23 352 179**	**21.89**	**95.21**	**10 539 200**	**9.88**	**42.97**	**12 812 978**	**12.01**	**52.24**
Industrial Sectors	**3 923 887**	**15.13**	**35.39**	**2 194 977**	**8.46**	**19.79**	**1 728 910**	**6.66**	**15.59**
Manufacturing Sector	3 851 482	17.51	44.17	2 129 863	9.68	24.43	1 721 619	7.83	19.74
Top 100 enterprises of traditional industry	1 250 593	22.95	50.17	919 379	16.87	36.89	331 214	6.08	13.29
Top 100 enterprises of non-traditional industry	1 412 129	20.30	59.22	677 601	9.74	28.41	734 528	10.56	30.80
Service Sectors	**19 428 291**	**24.07**	**144.56**	**8 344 223**	**10.34**	**62.09**	**11 084 068**	**13.73**	**82.48**
Top 100 enterprises of Knowledge-intensive	16 250 366	32.02	1146.93	5 548 646	10.93	391.62	10 701 720	21.08	755.31
Top 100 enterprises of Non-knowledge-intensive	357 004	8.74	20.83	196 870	4.82	11.49	160 134	3.92	9.34

(4) Production and marketing mode of product from Manufacturing

▲Nearly 30% of products of Manufacturing purchased overseas, with an amount of about NT$5.3 trillion, and Information Electronic industry amounted to NT$4.9 trillion.

The year-round product sale amount of Manufacturing reached NT$18 trillion and 865.2 billion, as the leader of domestic industry; however, its extent of internationalization affected severely on the stability of the entire economy. As we view from product origin of the Manufacturing in 2006, the part of monetary amount that produced domestically reached NT$13.5trillion or 71.67%. The part of monetary amount that purchased overseas reached NT$ 5.3 trillion or 28.33%, which mostly conducted through triangular trade (delivered directly to buyer without getting through customs clearance of Taiwan), amounting to as much as 25.49% in value of the sale amount of the entire Manufacturing. If we observe from the primary management mode of the Manufacturing, the proportion of domestic production with enterprise mainly classified with "production" was the highest, reaching 93.98%, while enterprise with self-owned R & D and outsourcing production domestically was only about 20%, being the lowest. As we further analyze according to these four major industries, the proportion of domestic production for People's Livelihood, Chemical, and Metal &

Machinery industry reached over 90%; however, the proportion of Information Electronic industry that amounted to half of the operating revenues of the entire Manufacturing shared 50% as domestic and overseas production. Besides, its amount of purchase from overseas amounted to NT$4.9 trillion, and most of them were conducted in triangular sale, amounting to 46.72% of the entire sale vale, with a total of about NT$4.6 trillion.

Table 37　Production and marketing mode of Manufacturing with manufacturers conducting the sale of product, by primary operation mode and sector

2006

By primary operation mode and sector	Year-end number of enterprise (Number)	Year-round product sale value							
		Amount (NT$Billion)	Domestic production (%)			Purchased overseas (%)			
			Total	Domestic production on its own	Purchase from other domestic enterprise	Total	Delivered to buyer after customs clearance in Taiwan	Delivered directly to buyer without going through customs clearance in Taiwan
Manufacturing Sector	**148 017**	**18 865.2**	**71.67**	**65.09**	**6.58**	**28.33**	**2.84**	**25.49**
By primary operation mode								
Manufacturing	119 321	13 137.3	93.98	89.98	4.00	6.02	1.90	4.12
Repair and maintenance	3 818	10.5	44.35	9.36	34.99	55.65	35.27	20.38
Processing for others	22 973	15.1	84.96	54.33	30.63	15.04	1.28	13.76
Manufacture outsourcing with self-driven R&D design	1 905	5 702.3	20.28	7.86	12.42	79.72	4.97	74.75
Classified by four major industries								
People's Livelihood	30 821	1 632.4	92.53	83.15	9.38	7.47	2.22	5.25
Chemical	31 186	3 832.2	95.54	92.04	3.50	4.46	3.14	1.32
Metal and Machinery	70 975	3 544.2	95.59	89.61	5.98	4.41	2.52	1.89
Information Electronics	15 035	9 856.4	50.33	42.79	7.54	49.67	2.95	46.72

Note: Year-round product sale value includes the sale income of product and sale income of merchandise.

(5) Production mode and cost structure of Manufacturing

▲Stock order and sale cost of Manufacturing increased for nearly 13 percentage point and enterprises of non-traditional manufacturing that conducted triangular trade increased nearly 27 percentage point .

To cope with fast changing international economic and social environment, the production mode of industry has become more flexible, and the impact of which was most prominent with regard to the structure of the cost expenditures. In view of the production mode and change of cost structure of Manufacturing for past five years, the intermediate consumption in 2006 amounted 51.99% of the total expenditures, which reduced by 3.70 percentage point as against to that of 2001. Among them, traditional industry , because of the soaring price of raw material of traditional industry, increased 12.06 percentage point; as for non-tradition industry, it reduced by 15.95 percentage point, which mainly affected enterprise involved in triangular trade, and intermediate consumption reduced by 18.56 percentage point as of the increase of oversea production.

Labor compensation amounted to 7.93% of the year-round total of expenditures, which reduced by 3.59 percentage point as against to 11.52% of 2001. Among them, traditional industry reduced by 2.91 percentage point for past five years, while that of the non-traditional industry by 3.22 percentage point. For those non-traditional industry involved with triangular trade, direct input of labor power prominently reduced, and increase of oversea production with production line relocated, it led to the result that the labor compensation dropped from 6.36% as amounted to the year-round total of expenditures of 2001 to that of 3.51% of 2006.

As for stock order and sale cost, they increased 12.84 percentage point as against that of 2001 to 32.97%; among them, non-traditional industry involved with triangular trade increased 26.59 percentage point, reaching 70.37%, while its value-added rate was 41.22%, with an increase of 7.68 percentage point against that of 2001, both standing at the top of each trade of the Manufacturing. It clearly shows that the proportion of triangular trade increased, which renders positive effect for added- value. However, enterprise would still need crucial technical design of product in order to master long-term development as well as marketing capability, and then seek for outsourcing as its mode of management.

Table 38 Production mode and cost structure of Manufacturing, by sector

By Sector	Year-end number of enterprise units (Number)		Proportion as amounted to year-round amount of expenditures (%)						Value added rate (%)	
			Intermediate consumption		Stock order and sale cost		Labor compensation			
	2006	2001	2006	2001	2006	2001	2006	2001	2006	2001
Grand Total (Overall Average)	**148 017**	**141 376**	**51.99**	**55.69**	**32.97**	**20.13**	**7.93**	**11.52**	**29.26**	**31.21**
Traditional	**132 982**	**126 573**	**72.37**	**60.31**	**10.49**	**13.78**	**10.43**	**13.34**	**24.51**	**31.18**
People's Livelihood	30 821	31 435	60.86	55.16	15.88	14.96	13.84	14.70	31.22	34.96
Chemical	31 186	30 275	77.51	65.51	7.73	10.89	7.49	11.13	20.62	28.62
Metal and Machinery	70 975	64 863	72.37	58.87	10.85	15.80	11.92	14.55	25.74	31.20
Non-traditional (Information and electronic industry)	**15 035**	**14 803**	**32.81**	**48.76**	**54.14**	**29.63**	**5.57**	**8.79**	**37.43**	**31.26**
With triangular trade	899	603	20.68	39.24	70.37	43.78	3.51	6.36	41.22	33.54
Without triangular trade	14 136	14 200	59.12	56.82	18.92	17.66	10.04	10.86	34.21	29.84

Note: stock order and sale cost include the sale cost of raw material and fuel.

(6) Self-branding operations

1. Manufacturing with self-branding operations

▲The number of enterprises in Manufacturing with self-branding operations amounts 8,898, with sale amount totaling NT$4.4 trillion, while over 3/4 of them with self-brand exported overseas

As affected by micro-profit, it become more and more difficult to survive with OEM, the creation of self-brand become the only necessary way for industrial upgrading. However, self-branding operations would need massive amount of resource to back up, and if it fails, there will not be any residual value, given with extremely high risk. In view of domestic manufacturing with self-branding operations, in 2006, there were as many as 8,898 enterprises from Manufacturing with self-branding operations, and the number of enterprises with export business amounted to 76.78%, while the sale amount of self-brand was NT$4 trillion and 377.4 billion. In 2006, the year-round amount of expenditures on R & D reached NT$112.2 billion, marketing NT$141.7 billion, which respectively amounted to 39.76% and 62.65% of the entire Manufacturing.

▲The profit rate of Manufacturing with self-branding operations was about 6.57%, and with the proportion of self-branded sale, its profit will also increase commensurably.

In 2006, the sale income of Manufacturing with self-brand only amounted to 23.20% of the product sale income of the entire Manufacturing, while R&D and marketing expenditures respectively amounted to 39.76% and 62.65% of the entire Manufacturing. It shows self-branding operations needs massive amount of resources, and it led to the profit rate as 6.57%, much lower than 8.02% of the entire Manufacturing as well as lower than 8.81% of the enterprise without self-branding operations. If we observe from the proportion of self-branded sale (the proportion of sale income with self-brand to product sale income), if proportion was less than 40%, then associated profit rates were less than 5.00%, which was in lower level. In contrast, if proportion was more than 60%, associated profit rates were more than 7.00%, which was relatively high, showing that profit rate will commensurably increase with enhanced proportion of self-branded sale with the effect of economy scale.

Table 39 Manufacturing with operations of self-brand and intangible investment status, by proportion of sale of self-brand

2006

Proportion of sale amount with self-brand	Year-end number of enterprise units (Number)	Number of enterprises with self- brand of export sale	Sale amount of self-brand (NT$Million)	Research and development (NT$Million)	Marketing (NT$Million)	Profit rate (%)	Value added rate (%)
Manufacturing Sector	**148 017**	**6 832**	**4 377 442**	**282 219**	**226 248**	**8.02**	**29.26**
With self-brand	**8 898**	**6 832**	**4 377 442**	**112 197**	**141 745**	**6.57**	**27.83**
Proportion of sale amount with self-brand							
less 20%	478	258	57 206	25 985	27 432	4.47	40.91
20% ～ less 40%	305	255	193 768	8 917	14 302	4.94	33.65
40% ～ less 60%	777	613	75 470	3 041	5 393	6.25	25.66
60% ～ less 80%	1 592	1 466	211 720	6 912	9 023	7.09	31.38
80% and over	5 746	4 240	3 839 277	67 343	85 594	7.68	25.48
Without self-brand	**139 119**	**-**	**-**	**170 022**	**84 503**	**8.81**	**29.90**

2. Wholesale and Retail Trade with self-branding operations

▲Number of enterprises in Wholesale and Retail Trade with self-branding operations was amounted to 12,014, with sale amount reaching to NT$876.4 billion, while nearly 70% of them self-brand of export sale.

If we observe the self-branding operations among domestic Wholesale and Retail Trade, there were as many as 12,014 enterprises among the Wholesale and Retail Trade with self-branding operations in 2006, and the monetary amount of self-brand reached about NT$876.4 billion, while 8,380 enterprises or 69.75% of them conducted export business. If we further observe from the viewpoint of proportion of sale income with self-brand to product sale, the number of enterprises with such proportion in excess of 80% was the highest, being 5,637 enterprises or amounted 46.92%. Besides, the product sale with self-brand reached NT$636 billion or amounted to 72.57%; the number of enterprises with such proportion in excess of 60% but less than 80% was next, and there were 2,525 enterprises or 21.02% of all, while the product sale of self-brand reached NT$131.7 billion, or amounted to 15.03%.

▲The profit rate of Wholesale and Retail Trade with self-branding operations was 4.29%, and with the proportion of self-branded sale, its profit will increase commensurably.

In 2006, the sale income from Wholesale and Retail Trade with self-brand only amounted to 7.81% of the entire industry, while R & D and marketing expenditures amounted to 28.40% of the entire Wholesale and Retail Trade, showing that the self-branding operations requires massive amount of resources. As a result, the profit rate as 4.29% was lower than 4.92% of the entire Wholesale and Retail Trade as well as lower than 5.01% of those without self-branding operations. If we observe form the proportion of profit sale (the proportion of sale income with self-brand to the income of profit sale), those with proportion less than 20% and with profit rate as 2.77%, being the lowest, while those with proportion more than 60% and less than 80% their profit rate was 5.93%, considered the highest. It shows that profit rate will commensurably increase with enhanced proportion of brand name sale with the effect of economy scale.

Table 40 Wholesale and Retail Trade with operations of self-brand and intangible investment status, by the proportion of sale income of self-brand

2006

Proportion of sale amount with self-brand	Year-end number of enterprise units (Number)	Number of enterprises with self- brand of export sale	Sale amount of self-brand (NT$Million)	Research and development (NT$Million)	Marketing (NT$Million)	Profit rate (%)	Value added rate (%)
Wholesale and Retail Trade	**490 017**	**8 380**	**876 396**	**14 932**	**84 318**	**4.92**	**66.98**
With self-brand	**12 014**	**8 380**	**876 396**	**4 240**	**23 946**	**4.29**	**62.77**
Proportion of sale amount with self-brand							
less 20%	923	504	30 887	711	6 912	2.77	61.27
20% ~ less 40%	1 262	1 075	14 592	173	764	5.16	62.94
40% ~ less 60%	1 667	1 249	63 194	430	1 058	5.38	67.05
60% ~ less 80%	2 525	2 131	131 701	1 182	1 487	5.93	64.88
80% and over	5 637	3 421	636 021	1 743	13 724	4.55	62.25
Without self-brand	**478 003**	**-**	**-**	**10 692**	**60 372**	**5.01**	**67.67**

(7) Triangular trade status

▲Income of triangular trade totaled NT$5 trillion and 900 billion, with expenditures amounting to NT$5 trillion and 500 billion, and gross profit rate of triangular trade was 7.05%.

For triangular trade, it was that our enterprise would commission the third country for production or supply (oversea production) after it received oversea order for product (receive order domestically), and product would be shipped directly to oversea buyers without getting through customs in Taiwan. In 2006, there were total of 6,453 enterprises from Manufacturing, Wholesale and Retail Trade that conducted triangular trade, and the income of triangular trade created reached NT$5 trillion and 899.2 billion. In addition, the expenditures was NT$5 trillion and 483.4 billion, gross profit of triangular trade was NT$415.8 billion, and the gross profit rate of the trade was 7.05%. Among them, the income of triangular trade from Manufacturing was NT$4 trillion and 808.2 billion, with nearly a quarter of its operating revenues from Manufacturing, amounting to more than 80% of the entire triangular trade. In addition, there were 899 enterprises of non-traditional manufacturing that were involved with triangular trade, amounting to NT$4.6 trillion, being the most as to income from triangular trade, more than 95% of the entire Manufacturing. As such, it shows that the information electronic industry, acting as the main force of Manufacturing, made use of the relatively inexpensive oversea labor to conduct production and it became the mainstream of the primary mode of management, given with its advantages in terms of R& D and design, purchase of component, and global marketing. On the other hand, in order to conduct triangular trade to cost down, many plants of international brands of Wholesale and Retail Trade established their purcing center in Taiwan. It led the triangular trade for Wholesale and Retail Trade in 2006 with revenues as NT$1 trillion 91 billion, with expenditures as NT$1 trillion and 31.1 billion, and the gross profit was nearly NT$60 billion, with 5.50% as the profit rate of triangular trade.

▲The income from triangular trade for large-scale enterprise reached NT$5 trillion and 304.6 billion, amounting to nearly 90% of income of the entire triangular trade.

In 2006, there were as many as 613 large-scale enterprises or it was 7.30% of the large-scale enterprises that were involved with triangular trade, and income created from triangular trade was as high as NT$5 trillion and 304.6 billion, amounting to 19.00% of their operating revenues. As whole, the amount would contribute to nearly 89.92% of the entire triangular trade, and the expenditures of triangular trade was NT$4 trillion and 949.6 billion, with its gross profit of triangular trade as NT$355.1 billion, while the gross profit rate was 6.69%. Among them, the income from triangular trade from the top 100 large-scale enterprises of the information and electronic industry reached NT$3 trillion and 991.2 billion, amounting to three quarters of income of triangular trade of the large-scale enterprise. It shows that as the extent of internationalization of large-scale enterprise was more intense and to cope with international competition, it rendered global production and purchase to become its important mode of management, and it became the main force creating international trade within the country.

Table 41 Operation outline on triangular trade of Manufacturing, Wholesale and Retail Trade, by enterprise scale and sector

2006

Classification by enterprise scale and sector	Number of enterprises in operation of triangular trade by year-end (Number)	Proportion to the trade (%)	Sale income of triangular trade (NT$Million)	Sale cost of triangular trade (NT$Million)	Gross profit rate of triangular trade (%)	Sale income of triangular trade as amounted in proportion to the operating revenues (%)
Grand Total (Overall Average)	**6 453**	**1.01**	**5 899 214**	**5 483 378**	**7.05**	**18.89**
Classification by enterprise scale						
Large-scale enterprise	613	7.30	5 304 648	4 949 555	6.69	19.00
Medium-scale enterprise	3 963	1.78	575 313	516 167	10.28	4.58
Small-scale enterprise	1 877	0.21	19 253	17 656	8.29	0.54
By sector						
Manufacturing Sector	**1 921**	**1.30**	**4 808 177**	**4 452 294**	**7.40**	**24.38**
Traditional	1 022	0.77	202 833	175 780	13.34	2.12
People's Livelihood	351	1.14	85 681	72 736	15.11	4.92
Chemical	245	0.79	50 398	45 191	10.33	1.28
Metal and Machinery	426	0.60	66 754	57 853	13.33	1.71
Non-traditional (Information electronics)	899	5.98	4 605 344	4 276 514	7.14	45.44
Top 100 enterprises	100	-	3 991 166	3 736 097	6.39	55.98
Wholesale and Retail Trade	**4 532**	**0.92**	**1 091 037**	**1 031 084**	**5.50**	**9.49**
Wholesale Trade	4 469	2.23	1 088 166	1 028 353	5.50	12.89
Retail Trade	63	0.02	2 871	2 732	4.84	0.09

(8) Operation scale of the industry and commerce

▲ Industry and commerce remains to be found with the largest number of small-scale enterprises, while the growth power of operation from large-scale enterprise was the strongest.

By the end of 2006, as we observe from the person engaged scale of enterprise unit among the industry and commence, there were 860,966 enterprises with less than five persons, amounting to 77.91% to the number of enterprises of all industries. While there were 215,283 enterprises that were from 5 to 29 persons, amounting to 19.48%, it shows that enterprises in domestic industry and commerce were primarily with small-scale. If we observe from the point of operation status and management mode of each scale of enterprise, the revenues and asset actually used created by each enterprise will grow along with its scale, and its growth will be expanded commensurably. Besides, the proportion of enterprise using E-commerce and investment into R& D will increase as well. For instance, the operating revenues of every enterprise of more than 500 persons from the industrial sectors grows as much as 106.76%, and proportion of enterprise making use of electronic business reached 89.38% , while the proportion of enterprise with R & D investment was as high as 87.07%, being the highest of each enterprise scale. As for the year-end assets used in operation by enterprise of more than 500 persons in service sectors reached 25.18%, which was higher than the average growth as 17.62% of the service sectors, while the proportion of enterprise that resorted to E-commerce reached 91.31%. Moroever, the proportion of enterprise with R&D investment was as high as 36.41%, showing the most powerful strength of operation growth among large-scale enterprise for past five years

Table 42 Operation status of all industries, by the scale of number of persons engaged

2006

By the scale of number of persons engaged	Year-end number of enterprises	Average operating revenues of every enterprise		Average assets actually utilized by every enterprise		Proportion regarding the number of enterprises using E-commerce		Proportion regarding the number of enterprise working on R&D	
	(Number)	(NT$1000)	Diff. with year 2001 (%)	(NT$1000)	Diff. with year 2001 (%)	(%)	Diff. with year 2001 (%)	(%)	Diff. with year 2001 (%)
Grand Total (Overall Average)	**1 105 102**	**39 833**	**37.97**	**96 519**	**17.49**	**17.77**	**14.30**	**1.09**	**0.17**
Under 5 persons	860 966	3 999	23.01	6 861	-7.66	12.05	10.62	0.14	0.01
5 persons～29 persons	215 283	32 836	20.69	33 394	-8.42	34.75	26.50	2.02	0.14
30 persons～49 persons	13 310	158 709	36.13	208 627	18.52	53.32	35.08	13.46	6.52
50 persons～199 persons	12 609	534 294	52.19	921 655	50.94	65.09	38.91	25.42	9.06
200 persons～499 persons	1 875	2 228 304	42.80	3 226 634	9.81	79.68	41.29	46.45	7.08
500 persons & Over	1 059	19 339 635	58.61	69 045 188	26.37	90.37	33.10	61.19	2.83
Industrial Sectors	**226 048**	**96 558**	**65.42**	**114 763**	**18.23**	**21.77**	**17.23**	**3.16**	**0.23**
Under 5 persons	125 234	4 157	30.23	five114	-17.74	11.46	10.80	0.05	-0.42
5 persons～29 persons	84 910	25 398	16.04	22 276	-15.29	29.96	23.51	2.35	-0.92
30 persons～49 persons	7 122	134 910	41.76	120 185	11.51	50.77	32.55	19.14	10.55
50 persons～199 persons	7 213	489 855	58.70	511 472	38.30	62.69	36.51	35.55	14.53
200 persons～499 persons	1 051	2 118 546	39.26	2 480 849	7.57	77.74	41.59	67.27	17.27
500 persons & Over	518	23 994 017	106.76	31 385 144	28.97	89.38	35.82	87.07	7.96
Service Sectors	**879 054**	**25 246**	**21.36**	**91 827**	**17.62**	**16.74**	**13.56**	**0.56**	**0.20**
Under 5 persons	735 732	3 972	21.73	7 159	-6.59	12.16	10.58	0.16	0.09
5 persons～29 persons	130 373	37 681	24.60	40 635	-3.85	37.88	28.61	1.80	0.72
30 persons～49 persons	6 188	186 100	27.37	310 419	14.91	56.25	37.97	6.93	2.26
50 persons～199 persons	5 396	593 697	41.20	1 469 959	46.30	68.29	42.11	11.88	3.14
200 persons～499 persons	824	2 368 298	45.74	4 177 872	4.90	82.16	40.07	19.90	-1.91
500 persons & Over	541	14 883 128	16.61	105 104 158	25.18	91.31	30.45	36.41	-1.87

(9) Retail channel of product

▲ Retail channel of product was mainly with store sale and sale income from direct sale was as the highest among non-store sale.

With the technological advancement and change of consumption of the mass, marketing channel has become ever diversified, and the transaction environment of commerce also become more sophisticated, turning channel management ever more important. In 2006, the sale income of Retail Trade reached NT$ 2 trillion and 907 billion, and NT$2 trillion 789.3 or 95.95% was from store sale, showing that store sale remains to be the most important retail channel for commodities. As for non-store sale, analyzing from such sale channels as TV shopping, Internet, mail order, vending machine, and direct-sale, the rueslt was that direct-sale ranks at the top with an amount of NT$ 54 billion, seconded by NT$30.4 billion of Internet and trailed by NT$22.4 billion of TV shopping. If we further analyze the non-store sale channel by number, the result was that the enterprises of network sale of 4,872 as the most, seconded by the enterprises of vending machine as 1,723, and trailed by direct-sale as 1,627 enterprises. In addition, the number of TV shopping channel was the least, with 404 enterprises; however, the average sale of every channel reached as much as NT$55.37 million, showing the relatively powerful penetration of TV marketing.

Table 43 Status of enterprises of retail trade in operation of commodities, by sale channels

2006

By sale channels	Year-end number of enterprise units ① (Number)	Sale income		Average sale income of every enterprise ② / ① (NT$Million)
		② (NT$Million)	Proportion of distribution (%)	
Grand Total (Overall Average)	**289 793**	**2 907 021**	**100.00**	**10.03**
Store sale	286 155	2 789 259	95.95	9.75
Through TV shopping channel	404	22 371	0.77	55.37
Through Internet	4 872	30 449	1.05	6.25
Through mail-order	915	3 092	0.11	3.38
Through vending machine	1 723	4 826	0.17	2.80
Direct sale	1 627	54 032	1.86	33.21
Others	451	2 993	0.10	6.64

Note: Each enterprise can concurrently manage more than two kinds of sale channels, and it was why that the total from each sale channel was possible greater than the aggregate amount.

(10) Professional technology transaction status

▲**In 2006, the purchase amount for professional technology from non-traditional manufacturing amounted to nearly NT$67 billion or 71.46%, and about 80% was purchased from overseas; besides, its sale of professional technology amounted to NT$9.1 billion or 24.38%, about three-fourth was sold overseas.**

In 2006, the purchase amount for professional technology by industry and commerce reached NT$93.7 billion, amounting to 0.21% of entire operating revenues, while the professional technology purchased domestically reached NT$22.3 billion or 23.82%. However, that purchased from overseas reached NT$71.4 billion or 76.18%, showing that the urgent need of domestic enterprise for professional technology overseas. If we observe from enterprise scale, it was found that the expenditures of NT$81.2 billion by large-scale enterprise as the most, while the expenditures by industrial sectors reached 90.07% or NT$73.2 billion as the most, and 81.69% of the technology was purchased from overseas, which was clearly higher than the overall proportion of purchase by all industries. On the other hand, the purchase amount for professional technology by Manufacturing of the industrial sectors reached NT$79.6 billion. The amount of NT$67 billion by the non-traditional manufacturing was reckoned the most, totaling 71.46% to the entire purchase amount for professional technology by the industry and commerce, while that was purchased from overseas amounted to NT$53.2 billion or 79.48%. Besides, the sale of professional technology by the Manufacturing reached NT$15.2 billion in 2006; among them, it was found that NT$9.1 billion from the non-traditional manufacturing was reckoned the most, but it merely amounted to 24.38% of all industries, while the sale to overseas amounted to NT$6.7 billion or 74.36%. It shows that our Manufacturing relies heavily on the crucial technology from overseas, and the development of professional technology was desperate in face of fierce global competition.

▲**In 2006, the sale of professional technology as NT$21.7 billion or 58.19% from the service sectors was the most, while the sale of professional technology from knowledge-intensive service industry was about NT$14.1 billion, and over 90% of it was sold within the country.**

In 2006, the sale amount of professional technology by all industries reached NT$37.2 billion, amounting to 0.08% of the entire operating revenues. Among them, the sale domestically reached about NT$24.2 billion, and the sale overseas NT$13.1 billion, showing that the sale remains primarily with the domestic market. If we observe from the two major sectors, the amount of NT$21.7 billion or 58.19% by the service sectors was reckoned the most, and the sale by knowledge-intensive service industry reached NT$14.1 billion, with NT$12.9 billion of it sold domestically, amounting to 91.84% of the knowledge-intensive service industry.

(11) Expenditures on environmental protection

▲The expenditures on environmental protection by the industrial sectors and the Human Health Services amounted to NT$61.9 billion, while the amount of NT$52.8 billion invested by Manufacturing was the most.

By year-end of 2006, there were 21,462 enterprises in industrial sectors and Human Health Services that spent for environmental protection; and the expenditures on environmental protection reached NT$61.9 billion, amounting to 0.39% of the entire total value of production. Among them, though there were only 8,851 enterprises that gave expenditures on environmental protection reached as much as NT$60.4 billion, amounting to 97.56% of the entire expenditures on environmental protection. As for each industry from the industrial sectors, Manufacturing invested the most into environmental protection, totaling 6,952 enterprises with an amount of expenditures as NT$52.8 billion, which was seconded by Electricity and Gas Supply with an amount of nearly NT$3.5 billion, trailed by Water Supply and Remediation Services with a mere amount of NT$1.6 billion. Nonetheless, the proportion of total value of production by the industry as 1.77% was the highest. If we observe from the expenditures on environmental protection by four major industries of Manufacturing, it was found that the investment of nearly NT$26.3 billion by the Chemical industry was the most, seconded by the NT$13.9 billion by the Information and Electronic industry. In addition, it was found that more than 50% of the enterprises from Human Health Services placed investment on environmental protection, reaching 12,611 enterprises, while their expenditures on environmental protection was only NT$1.5 billion.

Table 44 Outline of professional technology transaction of all industries, by enterprise scale and sector

2006 Unit:NT$Million

Classification by enterprise scale and sector	Purchase amount for professional technology				Sale amount of professional technology			
	Total		Domestically	Overseas	Total		Domestically	Overseas
		Proportion to the operating revenues (%)				Proportion to the operating revenues (%)		
Grand Total (Overall Average)	**93 701**	**0.21**	**22 319**	**71 383**	**37 227**	**0.08**	**24 167**	**13 060**
Classification by enterprise scale								
Large-scale enterprise	81 231	0.29	17 412	63 819	22 236	0.08	13 927	8 309
Medium-scale enterprise	11 496	0.09	4 094	7 401	13 486	0.11	8 990	4 495
Small-scale enterprise	974	0.03	812	162	1 506	0.04	1 250	256
Industrial Sectors	**80 755**	**0.37**	**15 372**	**65 382**	**15 567**	**0.07**	**5 460**	**10 106**
Large-scale enterprise	73 166	0.50	13 396	59 770	10 323	0.07	3 187	7 137
Medium-scale enterprise	7 455	0.11	1 856	5 599	5 128	0.08	2 180	2 949
Small-scale enterprise	135	0.02	121	14	115	0.02	94	21
Service Sectors	**12 947**	**0.06**	**6 946**	**6 000**	**21 661**	**0.10**	**18 707**	**2 954**
Large-scale enterprise	8 066	0.06	4 016	4 049	11 912	0.09	10 740	1 172
Medium-scale enterprise	4 041	0.07	2 239	1 803	8 357	0.14	6 811	1 546
Small-scale enterprise	840	0.03	691	148	1 391	0.05	1 156	236
By Sectors								
Manufacturing Sectors	**79 606**	**0.40**	**15 088**	**64 518**	**15 155**	**0.08**	**5 061**	**10 094**
Traditional	12 650	0.13	1 351	11 299	6 080	0.06	2 734	3 346
Non-traditional	66 956	0.66	13 736	53 219	9 075	0.09	2 327	6 748
Service Sectors	**12 947**	**0.06**	**6 946**	**6 000**	**21 661**	**0.10**	**18 707**	**2 954**
Knowledge-intensive	4 148	0.06	1 981	2 167	14 050	0.19	12 903	1 146
Non- knowledge-intensive	8 799	0.06	4 965	3 834	7 611	0.05	5 804	1 807

Table 45 Expenditures outline on environmental protection by industrial sector and Human Health Services, by sector

2006

By Sector	Year-end number of enterprise units ① (Number)	With expenditures on environmental protection			
		Number of enterprise units		Year-round expenditures amount on environmental protection	
		② (Number)	②/①*100 (%)	(NT$Million)	Proportion among total value of production (%)
Grand Total(Overall Average)	**247 586**	**21 462**	**8.67**	**61 914**	**0.39**
Industrial Sectors	**226 048**	**8 851**	**3.92**	**60 403**	**0.39**
Mining and Quarrying	497	1	0.20	54	0.26
Manufacturing	148 017	6 952	4.70	52 776	0.38
People's Livelihood	30 821	1 487	4.82	3 753	0.25
Chemical	31 186	1 615	5.18	26 281	0.71
Metal and Machinery	70 975	2 550	3.59	8 870	0.25
Information Electronics	15 035	1 300	8.65	13 871	0.27
Electricity and Gas Supply	166	31	18.67	3 488	0.82
Water Supply and Remediation Services	4 008	257	6.41	1 555	1.77
Water Supply	13	4	30.77	420	1.25
Wastewater (Sewage) Treatment	558	12	2.15	17	0.47
Waste Collection, Treatment and Disposal;Materials Recovery	3 196	234	7.32	1 118	2.31
Remediation Services	241	7	2.90	1	0.03
Construction	73 360	1 610	2.19	2 529	0.23
Human Health Services	**21 538**	**12 611**	**58.55**	**1 511**	**0.28**

6. Regional development of industry and commerce

(1) Regional economic development

▲In northern region, it was the primary area of concentration for industry and commerce, while industrial and commercial development was relatively faster than in central and southern region helping to balance industrial development gradually.

If we observe the development of industry and commerce in each region by 2006 according to the number of establishments, number of persons engaged, tangible fixed assets used in operation, and the total value of production by year-end, we can found that the number of establishments in northern region amounted to 45.74% of all industries. They hire 55.15% of the working population and make use of 55.29% of the tangible fixed assets. They created 57.24% of the total value of production, retaining itself as the hub of industry and commerce as before. As for southern region, its growth for the previous four indicators for past five years was 20.91%, 14.15%, 15.65%, and 56.88% respectively, while its growth in terms of number of establishments and persons engaged topped the rest of Taiwan, found with tremendous potential in regional development in the future. Of the previous four indictors as found in central region, their growth was 19.49%, 12.87%, 23.44%, and 60.16% respectively, and its growth in terms of tangible fixed assets used in operation and total value of production topped the rest of Taiwan, with booming industrial development. As for northern region, its four indicators were 18.50%, 13.22%, 13.62%, and 43.18% respectively, and its growth was slow down than those as in central and southern region, aside from the growth of number of persons engaged that was somewhat faster than that in central region, showing that domestic industrial development was progressively moving toward regional balance.

Table 46 Development outline of the establishments in all industries, by area

2006

By Area	Year-end number of establishment units		Year-end number of persons engaged		Year-end value of tangible fixed assets used in operation		Year-round total value of production	
	(Number)	Diff. w. end of 2001 (%)	(Person)	Diff. w. end of 2001 (%)	(NT$Billion)	Diff. w. end of 2001 (%)	(NT$Billion)	Diff. w. yr. 2001 (%)
Grand Total	**1 158 362**	**19.23**	**7 549 912**	**13.31**	**24 528.3**	**15.66**	**23 934.0**	**48.97**
Taiwan Area	**1 155 131**	**19.22**	**7 537 976**	**13.27**	**24 477.7**	**15.62**	**23 904.1**	**48.97**
Northern Region	529 881	18.50	4 163 448	13.22	13 560.6	13.62	13 698.9	43.18
Central Region	286 975	19.49	1 576 724	12.87	4 670.7	23.44	4 498.1	60.16
Southern Region	312 339	20.91	1 697 178	14.15	5 799.7	15.65	5 517.3	56.88
Eastern Region	25 936	11.48	100 626	7.59	446.8	2.17	189.9	23.96
Kinmen-Matsu Area	**3 231**	**23.70**	**11 936**	**38.63**	**50.6**	**40.17**	**29.9**	**48.02**

(2) Industrial clusters

▲Science Park continued to demonstrate booming development, and Free Trade-Port Zone and Software Science Park had potential of growth, while export-processing zone gradually stabilized.

As we observe from each of the industrial clusters, Hsinchu Science Park not only successfully stimulated domestic economic growth, but also helped enhance industrial upgrading. In recent years, central and southern Taiwan Science Park established in order to duplicate Hsinchu Science Park experience and create brand new dynamic for the industry. In 2006, the three science parks, in total, attracted 530 manufacturers and hired 185,000 employees, making use fixed assets of NT$1 trillion and 708 billion. As a whole, they created total production value as amounting to NT$1 trillion and 600.7 billion, with significant growth as against to that of 2001.

Besides, since export was the focus of domestic economic development, Free Trade-Port Zone thus established in order to stimulate brand new operation advantage within the country, strengthen integration of product, capital, and information flow, and simplify trade procedures. In 2006, there were total of 44 manufacturers taken residence into the Free Trade-Port Zone, and an amount of fixed assets of NT$45.2 billion invested, creating a total of production value of NT$39.5 billion. In addition, Nangang Software Park that designed mainly to attract information and software manufacturers, since the completion of the first period in 1999, drawn 310 manufacturers to take residence, and it hired 16,000 employees, invested nearly NT$40.7 billion of fixed assets, and created a total of production value amounting to NT$54.3 billion. As such, we believe that these two establishments have tremendous potential.

As for the export processing zone that used to stimulate economic growth, since industrial structure changed, and though the number of establishments, number of persons engaged hired, total value of production, and fixed assets used in operation showed increase, the growth of which can hardly surpass that of science park, its development tended stabilized gradaully.

Table 47 Operation outline of industry and commerce in Science Park, Export Processing Zone, Free Trade-Port Zone, and Software Science Park

By industrial zone	Year-end number of establishment units（Number）			Year-end number of persons engaged（Person）		
	2006	2001	Change（%）	2006	2001	Change（%）
Grand Total	**1 193**	**592**	**101.52**	**271 180**	**167 167**	**62.22**
Science Park	530	331	60.12	184 689	106 599	73.26
Hsinchu Science Park	413	305	35.41	127 540	90 132	41.50
Central Taiwan Science Park	20	-	-	14 263	-	-
Southern Taiwan Science Park	97	26	273.08	42 886	16 467	160.44
Export Processing Zone	309	261	18.39	68 499	60 568	13.09
Free Trade Port Zone	44	-	-	1 877	-	-
Software Science Park	310	…	…	16 115	…	…

By industrial zone	Year-round total value of production（NT$Million）			Year-end value of fixed assets used in operation（NT$Million）		
	2006	2001	Change（%）	2006	2001	Change（%）
Grand Total	**1 975 111**	**830 265**	**137.89**	**1 941 224**	**1 046 590**	**85.48**
Science Park	1 600 665	612 709	161.24	1 708 033	906 447	88.43
Hsinchu Science Park	1 058 940	517 055	104.80	976 803	696 509	40.24
Central Taiwan Science Park	154 657	-	-	267 389	-	-
Southern Taiwan Science Park	387 068	95 654	304.65	463 842	209 938	120.94
Export Processing Zone	280 674	217 557	29.01	147 254	140 143	5.07
Free Trade Port Zone	39 482	-	-	45 193	-	-
Software Science Park	54 290	…	…	40 743	…	…

Note: Hsinchu Science Park includes two sites, Hsinchu and Chunan parks.

7. Development of focused industries

Industrial policy is the axis of economic construction of a country, and it become the important strategy of domestic industrial development as how knowledge-intensive service industry can be enhanced, and how critical technical skill and technological industry market potential can be cultivated. Hence, they can become the novel dynamic of economic growth under the development trend of globalization and ever diversified professional division of labor. In the following, we summed up the domestic important industrial development within the country lately in view of the development of Semiconductor, Image-Display and Medical Goods Manufacturing, and other focused services, and the development status of these industries for past five years were briefly elaborated.

(1) Focused industries of Manufacturing

▲ For past five years, the total value of production of Semiconductor industry grew by 113.81%, and increased about 70,000 employment opportunities, while the fixed assets used in operation increased NT$231.4 billion or 23.75%, and the development was gradually stabilized.

Semiconductor and Image-display industries were of the focused industries as aggressively promoted within the country in recent years as a capital-and technology-intensive industry. By the end of 2006, though there were only 677 enterprises in Semiconductor industry they employed 188,196 persons engaged, with an increase of 70,501 persons as against that of 2001. Besides, it invested NT$1 trillion and 205.6 billion of fixed assets utilized, with an increase of NT$231.4 billion or 23.75% as against that of 2001, and created a total value of production reaching NT$1 trillion and 440.5 billion, with an increase of NT$766.8 billion or 113.81% as against that of 2001. With enhancement of critical skill of the industry and economic recovery of Semiconductor industry, the value-added rate and profit rate increased 11.91 and 22.93 percentage point respectively for past five years, reaching 52.03% and 22.48%.

▲For past five years, the growth of total value of production of the Image-display industry increased 274.17%, with nearly 88,000 employment opportunities as newly enhanced, while the fixed assets used in operation increased nearly NT$ 1 trillion or 324.97%, with booming development.

The application of Image-display is under a wide spectrum of areas, and it, in actuality, has become the mainstream display technology as the technology of liquid crystal display more matured and its price was coming down. With the devotion and joint efforts from the government, industry, and academic world, liquid crystal display industry already has taken up its significant position worldwide. The number of Image-display industry enterprises by the end of 2006 already reached 502, making use of 142,125 of persons engaged, with an increase of 87,591 persons as against that of 2001. Besides, the fixed assets used in operation increased NT$994.9 billion or 324.97%, reaching NT$1 trillion and 301.1 billion, and total value of production created reached NT$1 trillion and 34.5 billion, with an increase of NT$758.1 billion or 274.17%. As a whole, the value-added rate and profit rate increased 12.13 and 8.36 percentage point respectively for past five years, reaching 31.64% and 3.72%.

▲The total value of production of Medical and Pharmaceutical Industry was NT$85 billion, with growth of 43.00% for past five years.

Since the period of product development for Medical and Pharmaceutical industry is rather lengthy, and it would take massive amount of resources, but its product cycle is quite long and it matters the health and life quality of its nationals, it is why the industry becomes the focused industry for cultivation by countries around the world. In 2006, there were total of 1,347 enterprises for Medical and Pharmaceutical industry, with an increase of 30.52% as against 1,032 enterprises in year 2001. In addition, the growth of number of persons engaged and fixed assets used in operation were 28.48% and 25.40%, which helped to bring about the growth of total value of production by 43%, reaching NT$85 billion. Among them, more than 50% of total value of production came from Drug and Medicine industry. Besides, the value-added rate and profit rate of Medical and Pharmaceutical industry increased 1.98 and 2.01 percentage point respectively for past five years, reaching 40.90% and 9.56%.

Table 48 Operation outline of the focused industries in the Manufacturing

Industry	Year-end number of enterprise units (Number)			Year-end number of persons engaged (Person)		
	2006	2001	Change (%)	2006	2001	Change (%)
Semiconductor industry	677	563	20.25	188 196	117 695	59.90
Image-display industry	502	323	55.42	142 125	54 534	160.62
Medical and pharmaceutical industry	1 347	1 032	30.52	32 515	25 308	28.48

Industry	Year-round total value of production (NT$Million)			Year-end value of fixed assets used in operation (NT$Million)		
	2006	2001	Change (%)	2006	2001	Change (%)
Semiconductor industry	1 440 503	673 745	113.81	1 205 621	974 264	23.75
Image-display industry	1 034 536	276 486	274.17	1 301 055	306 154	324.97
Medical and pharmaceutical industry	85 033	59 464	43.00	75 240	59 999	25.40

Industry	Value-added rate (%)			Profit rate (%)		
	2006	2001	Change percentage	2006	2001	Change percentage
Semiconductor industry	52.03	40.12	11.91	22.48	-0.45	22.93
Image-display industry	31.64	19.51	12.13	3.72	-4.64	8.36
Medical and pharmaceutical industry	40.90	38.92	1.98	9.56	7.55	2.01

Note: 1. Semiconductor industry includes IC manufacturing, Discrete Devices manufacturing, and semiconductor packaging and testing industry.
2. Image-display industry includes Liquid-Crystal Panel and Components manufacturing, other optoelectronic materials and components manufacturing, and monitors and terminals manufacturing.
3. Medical and pharmaceutical industry includes medical goods manufacturing, radioactivity and electronic medical equipment manufacturing, and other medical facility and appliance manufacturing.

(2) Focused service sectors

▲The total value of production from the logistic services was approximately NT$3.5 trillion, being the largest in scale; and the growth of the total value of production from the design services increased 107.50%, being the fastest of all.

Focused service industries become the development axis of industrial policy because of the development of knowledge-economy, change of industrial structure, and the enhancement of life quality among our nationals. As viewed from the information of this census, there were 501,574 enterprises working in logistic service industry from the focused service industry of 2006, and they nearly 2.08 million of persons engaged, while the fixed assets used in operation invested amounted to NT$4.8 trillion, creating a total value of production reaching NT$3 trillion and 453.1 billion. Therefore, no matter whether we view from the input or output, logistic service industry should rank at the top of the focused service industry. However, the negative growth in terms of its fixed assets used in operation was 5.56%, and value-added rate reduced by 6.18 percentage point, showing that its growth tended stabilized.

For past five years, the number of enterprises working in design services increased 121.64%, while its fixed assets used in operation increased 87.52%, and its total value of production increased 107.50%, being the best among the focused service sectors. Besides, the growth of its number of persons engaged increased 72.49%, ranking only second to the environmental protection service industry, showing its fast development with great potential to look forward to.

▲The Logistic Services attracted nearly 2.08 million employment population, and increased 90,000 employment opportunities for past five years, standing as the leader of the focused service sectors.

If we observe from the perspective of provision of employment opportunity, logistic service industry, in terms of number persons engaged, provided employment opportunity to 2,079,641 persons by the end of 2006, being the most of all. The second was Tourism, Sport and Recreation Services that provided employment opportunity to 378,464 persons and the third was Financial Services that provided employment opportunity for 376,646 persons. If we observe from the perspective from the change of number of persons engaged, the Logistic Services was under the impact of newly established enterprises from the Wholesale and Retail Trade with an increase of about 90,456 employment opportunities for past five years. The second was Building Management Services with an increase of 81,193 employment opportunities, and the third was Tourism, Sport and Recreation Services with an increase of 70,632 employment opportunities.

▲The value-added rate of the Real Estate Services increased 7.65 percentage point for past five years, with an increase of profit rate by 7.14 percentage point as the fastest of all.

If we observe from the perspective of value-added rate, the number of enterprises with Building Management Services, with booming development of real estate development & management, security, and cleaning trade, grew by 48.82%, and its persons engaged increased 37.99%. Besides, its fixed assets used in operation increased 21.86%, leading to the increase of its total value of production by 52.03%, while its value-added rate and profit rate increased 7.65 and 7.14 percentage point, reaching 56.68% and 11.71% to stand at the top of the focused service sectors. For communication media services, since the impact of the slow-down of telecom industry, its persons engaged reduced 5.16% for past five years, and fixed assets used in operation reduced by 21.65%, leading to the result that its total value of production merely increased 4.06%. While its value-added rate and profit rate respectively reduced by 1.23 and 5.79 percentage point, turning its reduction of profit rate as the largest among all of the focused service sectors.

Table 49 Operation status outline of the focused service sectors, by sector

By Sector	Year-end number of enterprise units (Number)			Year-end number of persons engaged (Person)		
	2006	2001	Change (%)	2006	2001	Change (%)
Financial services	9 955	6 483	53.56	376 646	370 555	1.64
Distribution services	501 574	448 813	11.76	2 079 641	1 989 185	4.55
Communication\media services	472	343	37.61	62 389	65 782	-5.16
Human health & care services	23 015	…	…	305 694	…	…
Human Health Services	21 538	19 712	9.26	277 070	220 033	25.92
Residential Care Services	1 477	…	…	28 624	…	…
Manpower training & property management services	36 270	24 371	48.82	294 930	213 737	37.99
Sports and recreational services	97 580	70 741	37.94	378 464	307 832	22.94
Culture & creativity services	26 418	21 920	20.52	144 298	136 068	6.05
Design service	3 903	1 761	121.64	22 876	13 262	72.49
Information service	6 513	4 532	43.71	67 137	52 931	26.84
Environmental protection service	8 357	5 733	45.77	79 326	42 469	86.79
Engineering consulting service	5 293	3 018	75.38	33 170	24 032	38.02

Note: The industry as covered in this Table was based on the Standard Industrial Classification of ROC, while relevant industries can be obtained from further classification; the coverage of each industry was not mutually exclusive, and refer to the reference appendix for the details of the scope.

By Sector	Year-round total value of production (NT$Million)			Year-end value of fixed assets used in operation (NT$Million)		
	2006	2001	Change (%)	2006	2001	Change (%)
Financial services	1 859 197	1 516 120	22.63	1 255 693	1 101 735	13.97
Distribution services	3 453 066	2 543 359	35.77	4 792 443	5 074 358	-5.56
Communication\media services	436 216	419 188	4.06	636 445	812 325	-21.65
Human health & care services	559 863	…	…	633 687	…	…
Human Health Services	535 819	437 397	22.50	500 312	494 097	1.26
Residential Care Services	24 044	…	…	133 375	…	…
Manpower training & property management services	510 421	335 732	52.03	928 412	761 842	21.86
Sports and recreational services	454 147	376 437	20.64	972 714	867 785	12.09
Culture & creativity services	391 810	343 569	14.04	339 174	323 796	4.75
Design service	57 674	27 795	107.50	37 669	20 088	87.52
Information service	183 682	148 902	23.36	101 038	117 060	-13.69
Environmental protection service	93 819	57 457	63.29	85 788	52 711	62.75
Engineering consulting service	80 083	56 267	42.33	43 415	34 065	27.45

Note: The industry as covered in this Table was based on the Standard Industrial Classification of ROC, while relevant industries can be obtained from further classification; the coverage of each industry was not mutually exclusive, and refer to the reference appendix for the details of the scope.

By Sector	Value added rate (%)			Profit rate (%)		
	2006	2001	Change percentage	2006	2001	Change percentage
Financial services	56.90	50.97	5.93	7.79	7.11	0.68
Distribution services	56.49	62.67	-6.18	5.02	4.82	0.20
Communication\media services	56.75	57.98	-1.23	10.86	16.83	-5.97
Human health & care services	58.70	…	…	10.29	…	…
Human Health Services	58.66	56.56	2.10	10.33	7.99	2.34
Residential Care Services	59.55	…	…	9.42	…	…
Manpower training & property management services	56.68	49.03	7.65	11.71	4.57	7.14
Sports and recreational services	51.56	50.07	1.49	9.19	6.55	2.64
Culture & creativity services	38.32	35.64	2.68	7.43	4.43	3.00
Design service	45.70	47.06	-1.36	12.53	6.37	6.16
Information service	40.42	37.75	2.67	9.92	6.65	3.27
Environmental protection service	49.74	48.79	0.95	10.72	8.70	2.02
Engineering consulting service	48.76	46.25	2.51	13.30	7.45	5.85

Note: The industry as covered in this Table was based on the Standard Industrial Classification of ROC, while relevant industries can be obtained from further classification; the coverage of each industry was not mutually exclusive, and refer to the reference appendix for the details of the scope.

(III) Analyses by Industry for Census Topics

1. Number of enterprise and establishment units

(1) Change of number of enterprise units

▲ Number of enterprise units increased 169,786 or 18.15% for past five years; the adjustment of industrial structure tended to stable.

With economic recovery, the growth of the number of enterprise units in all industries by 2006 reaches to 18.15%, creating a new record for past three censuses. There was an increase of 169,786 and becoming 1,105,102 for past five years, among them, the number among service sectors increased 144,628 or 19.69%, which is higher than the number 25,158 or 12.52% in industrial sectors. Comparing the distribution of two sectors, by the end of 2006, service sectors occupied 79.55% in all industries, which increased 1.03 percentage point than 78.52% in the census of 2001. Since the increase was not prominent, the adjustment of industrial structure tends to stable.

▲The 490,017 units of Wholesale and Retail Trade was the top one; Real Estate grew the most by 80.15%.

Viewing the number of enterprise units in all industries, 490,017 in Wholesale and Retail Trade is still the top one; however, it was influenced by slow domestic demand, the number of enterprise units grew slower, so that its distribution was 44.34% less 2.51 percentage point than by the end of 2001. The next one was 148,017 in Manufacturing, with distribution rate 13.39% which was less 1.73 percentage point than the 2001 census; the number of 88,739 units in Accommodation and Food Services, its distribution rate increase by 1.35 percentage point for past five years reaching to 8.03%, at the third position.

Viewing the swift status of the number of enterprise units in all industries for past five years, among the industrial sectors, Water Supply and Remediation Services grew fastest by 34.14%. Its main reason is that globally environmental protection is valued gradually and environmental protection laws tend to completion, as well as the vision of related environmental protection industry is good leading to numerous investments. As for the Construction favored by the recovery of real property grew by 31.99% at the second position; Electricity and Gas Supply, due to governmental policy of opening private power plant and the great increase of using gas, grew by 22.96% at the third position. Manufacturing, because the industry’s moving out slows down, grew 4.70% than the end of 2001; as for Mining and Quarrying, due to exhaustion of mining source and governmental policy on restricting the exploration of sands and stones, the number of enterprise units decreased

38.79% largely. In service sectors, Real Estate increased fastest by 80.15%, due to the booming of real property market. Arts, Entertainment and Recreation grew fast due to the issuance of public-welfare lottery and speedy growth of recreational spaces, its number of units increased 58.11% at the second position. As for Finance and Insurance, because nationals' need of investment, finance management, insurance and taxation planning increased, many companies regarding investment, insurance agency and brokerage were established. Since the assets management corporations accommodated the merge of financial institutions, the need of bank creditor's right management rose, its number of units grew by 53.56% at the third position. The number of units in Accommodation and Food Services grew by 42.05%, at the fourth position due to increase of the persons not eating at home and the push of leisure and travelling industry. As for Transportation and Storage, the number of taxi trade units reduced by 6.34% for past five years due to continuous raising petroleum price and gradually perfect mass transportation network.

Table 50 Number of Enterprise units in All Industries, by sector

Unit:Enterprise

By Sector	End of 2006		End of 2001		Change	
	Number of Enterprises	Distribution (%)	Number of Enterprises	Distribution (%)	Number of Enterprises	(%)
Grand Total	**1 105 102**	**100.00**	**935 316**	**100.00**	**169 786**	**18.15**
Industrial Sectors	**226 048**	**20.45**	**200 890**	**21.48**	**25 158**	**12.52**
Mining and Quarrying	497	0.04	812	0.09	-315	-38.79
Manufacturing	148 017	13.39	141 376	15.12	6 641	4.70
Electricity and Gas Supply	166	0.02	135	0.01	31	22.96
Water Supply and Remediation Services	4 008	0.36	2 988	0.32	1 020	34.14
Construction	73 360	6.64	55 579	5.94	17 781	31.99
Service Sectors	**879 054**	**79.55**	**734 426**	**78.52**	**144 628**	**19.69**
Wholesale and Retail Trade	490 017	44.34	438 163	46.85	51 854	11.83
Transportation and Storage	59 364	5.37	63 384	6.78	-4 020	-6.34
Accommodation and Food Services	88 739	8.03	62 472	6.68	26 267	42.05
Information and Communication	11 907	1.08	8 701	0.93	3 206	36.85
Finance and Insurance	9 955	0.90	6 483	0.69	3 472	53.56
Real Estate	15 675	1.42	8 701	0.93	6 974	80.15
Prof. Scientific and Technical Services	40 719	3.68	28 723	3.07	11 996	41.76
Support Services	21 056	1.91	17 402	1.86	3 654	21.00
Compulsory Social Security	4	0.00	4	0.00	0	0.00
Education	14 428	1.31	…	…	…	…
Human Health and Social Work Services	27 548	2.49	…	…	…	…
Human Health Services	21 538	1.95	19 712	2.11	1 826	9.26
Residential Care Services	1 477	0.13	…	…	…	…
Other Social Work Services	4 533	0.41	…	…	…	…
Arts, Entertainment and Recreation	17 919	1.62	11 333	1.21	6 586	58.11
Other Services	81 723	7.40	69 348	7.41	12 375	17.84

Note: 1. In 2006 census, two subsectors of “Residential Care Services” and “Other Human Health Services” of “Human Health and Social Work Services” are newly enumerated.
2. Short-term cramming school and vehicle driving training school of “Education” are only surveyed.
3. The same is shown in following tables.

▲Among the number of enterprise units in all industries by the end of 2006, non-company & other organization was still more by 65.08%.

Viewing the enterprise units by organization, by the end of 2006, the number of non-company and other organizations of all industries was 719,184 amounted to 65.08%. Moreover, the same of company and organization was 385,918 amounted to 34.92%, among which the proportion of company and organization in industrial sectors is amounted to 57.79%, and the same of non-company and other organization in service sectors is amounted to 70.96%.

Excluding the new scope of this census to view the shift tendency for past five years, the number of non-company and other organizations of all industries increased 97,775 or 16.25%, and the growth of company and organization was slower, its number increased 51,573 or 15.45% for past five years.

Table 51 Number of Enterprise units in All Industries, by Organization and sector

Unit:Enterprise

By Sector	Total		Company		Non-company and Other Organization	
	End of 2006	End of 2001	End of 2006	End of 2001	End of 2006	End of 2001
Grand Total	**1 105 102**	**935 316**	**385 918**	**333 756**	**719 184**	**601 560**
Industrial Sectors	**226 048**	**200 890**	**130 631**	**117 940**	**95 417**	**82 950**
Mining and Quarrying	497	812	365	474	132	338
Manufacturing	148 017	141 376	92 176	89 360	55 841	52 016
Electricity and Gas Supply	166	135	146	111	20	24
Water Supply and Remediation Services	4 008	2 988	2 306	1 854	1 702	1 134
Construction	73 360	55 579	35 638	26 141	37 722	29 438
Service Sectors	**879 054**	**734 426**	**255 287**	**215 816**	**623 767**	**518 610**
Wholesale and Retail Trade	490 017	438 163	175 333	155 431	314 684	282 732
Transportation and Storage	59 364	63 384	12 614	12 130	46 750	51 254
Accommodation and Food Services	88 739	62 472	3 967	3 566	84 772	58 906
Information and Communication	11 907	8 701	9 315	7 005	2 592	1 696
Finance and Insurance	9 955	6 483	7 442	4 382	2 513	2 101
Real Estate	15 675	8 701	13 469	7 709	2 206	992
Prof. Scientific and Technical Services	40 719	28 723	17 204	12 998	23 515	15 725
Support Services	21 056	17 402	9 244	7 248	11 812	10 154
Compulsory Social Security	4	4	-	-	4	4
Education	14 428	…	537	…	13 891	…
Human Health and Social Work Services	27 548	…	165	…	27 383	…
Human Health Services	21 538	19 712	113	125	21 425	19 587
Residential Care Services	1 477	…	4	…	1 473	…
Other Social Work Services	4 533	…	48	…	4 485	…
Arts, Entertainment and Recreation	17 919	11 333	1 202	1 006	16 717	10 327
Other Services	81 723	69 348	4 795	4 216	76 928	65 132

▲The number of enterprise units with branches increased 5,573 for past five years; there were 3.3 branches of each enterprise in average.

By the end of 2006, among the number of establishment units in all industries, there were 1,088,823 independent operating units or amounted to 94.00%; 16,279 head management units or amounted to 1.41%, 53,260 branches or amounted to 4.60%. In view of enterprise aspect, there were 16,279 enterprises with branches, the number of which is more 5,573 than the end of 2001. Each enterprise having 3.3 branches in average is nearly the same by the end of 2001. In view of the sector, there were 5,580 enterprises with branches in industrial sectors, this number of enterprises is less 1,240 than that by the end of 2001. Each enterprise having 2.0 branches in average, but more 0.4 branches than that by the end of 2001. There were 10,699 enterprises with branches in service sectors, the number of which increases more 6,813 than that by the end of 2001, and the number of branches per enterprise reduced to 3.9 from 6.1 since the end of 2001 because the influence that some enterprises changed the operation way into franchise and chain in order to expand operation strongholds.

Table 52 Number of Enterprises with Branches in All Industries, by Sector

Unit:Enterprise

By Sector	Number of enterprise units,end of 2006	Independent Operating units		With branches			
		End of 2006	End of 2001	End of 2006		End of 2001	
				Number of enterprise units	Number of branches of every enterprise in average	Number of enterprise units	Number of branches of every enterprise in average
Grand Total (Overall Average)	**1 105 102**	**1 088 823**	**924 610**	**16 279**	**3.27**	**10 706**	**3.24**
Industrial Sectors	**226 048**	**220 468**	**194 070**	**5 580**	**2.00**	**6 820**	**1.61**
Mining and Quarrying	497	487	794	10	1.40	18	1.22
Manufacturing	148 017	142 886	134 793	5 131	1.97	6 583	1.54
Electricity and Gas Supply	166	156	123	10	37.90	12	31.75
Water Supply and Remediation Services	4 008	3 958	2 955	50	4.24	33	6.76
Construction	73 360	72 981	55 405	379	1.14	174	1.23
Service Sectors	**879 054**	**868 355**	**730 540**	**10 699**	**3.94**	**3 886**	**6.08**
Wholesale and Retail	490 017	483 170	436 158	6 847	2.87	2 005	5.12
Transportation and	59 364	58 754	63 112	610	5.60	272	9.00
Accommodation and Food Services	88 739	88 193	62 255	546	3.90	217	5.41
Information and Communication	11 907	11 649	8 610	258	4.48	91	6.13
Finance and Insurance	9 955	9 411	5 941	544	20.05	542	13.89
Real Estate	15 675	15 380	8 560	295	2.42	141	2.11
Prof. Scientific and Technical Services	40 719	40 412	28 530	307	1.34	193	1.41
Support Services	21 056	20 501	17 121	555	2.33	281	2.11
Compulsory Social	4	2	2	2	15.00	2	14.50
Education	14 428	14 245	…	183	2.18	…	…
Human Health and Social Work Services	27 548	27 314	…	234	4.94	…	…
Human Health Services	21 538	21 530	19 707	8	2.25	5	1.00
Residential Care Services	1 477	1 468	…	9	1.56	…	…
Other Social Work	4 533	4 316	…	217	5.18	…	…
Arts, Entertainment and Recreation	17 919	17 835	11 293	84	2.36	40	3.03
Other Services	81 723	81 489	69 251	234	2.77	97	3.53

(2) Survival rate of enterprise

▲Enterprises with over 5-year survival rate in industry and commerce by the end of 2006 was 72.68%; the stabilization in industrial sectors rose obviously.

Viewing in terms of the period of starting business, by the end of 2006, there were 679,795 or amounted to 61.51% enterprise units starting business of industry and commerce by the end of 2001. With the recovery of economy, there were in total of 322,279 or amounted to 29.16% enterprises starting business from 2002 to 2005; and there were up to 103,028 enterprises stating business in 2006. Further viewing the survival status of enterprise, the proportion of survival rate of enterprise operating more than five years is 72.68%, higher than 69.41% in 2001census showing the raising stabilization of enterprise management for past five years. Among which since the improvement of economical environment in industrial sectors, its survival rate soared to 79.48% from 72.33% in 2001 that the stabilization in industrial sectors raised obviously. As for service sectors, since the scale of enterprise's operation is small generally and its stabilization was worse so that its survival rate increased to 70.82% from 68.49% in 2001 only. As for among every industry, apart from Compulsory Social Security, Electricity and Gas Supply which most belong to public utilities, their survival rates were 100.00% and 96.30% respectively. Professional, Scientific and Technical Services and Finance and Insurance, both of which belong to knowledge-intensive industry with more stable operation, their survival rates are 89.52% and 88.71% respectively. The next was Manufacturing amounted to 82.03%; Mining and Quarrying, due to restricted industrial development, exits frequently with the exit rate up to 60%; the exit rate of Transportation and Storage and Arts, Entertainment and Recreation was about 50% too.

(3)Number of establishment units

▲ For the number of establishments of industry and commerce for past five years, it grows fastest of 33.19% in Hsinchu County; and it grows the most in Taipei County and Taoyuan County, contributing to nearly 30%.

By the end of 2006, there were 1,158,362 establishment units of industry and commerce, which was more 186,862 or 19.23% than the same by the end of 2001, among them, the most was 529,881 or amounted to 45.74% still in northern region. However, it was less 0.29 percentage point than that by the end of 2001 a little; the next was in southern region amounted to 26.96%; the third was in central region amounted to 24.77%; the proportion 2.24% was amounted in eastern region; and 0.28% was amounted in Kinmen-Matsu area.

Viewing in terms of growth trend for past five years, since the development of Science Park in Taiwan where manufacturers post and bring prosperity of surrounding industry and commerce, that the number of establishment grew fast, particularly it grew fastest by 20.91% in southern region. The next was in central region as grows by 19.49%; northern region was at the third position with the growth range of 18.50%; and the growth rate in eastern region was 11.48%, ranked the last one, however, it still obviously higher than 5.02% in 2001 census. As for the Kinmen-Matsu area, since where the tourism was advance actively in recent years and the release of "the Liberalization of Commerce, Mail Communication and Vessel/Aircraft Communication" it grew 23.70% for past five years.

If we observe from the growth range in county (city), Hsinchu County grew 33.19% as the number one because the development of Science Park in the area industrial zone in the area. The proportion of growth in Taoyuan County was 31.94% ranked as the second because it is adjacent to grand Taipei area and has perfect and complete regional transportation network and well as continuous development in the industrial zone. It grew about 30% in Kaohsiung County and Taichung City too; in Yunlin County, it grew 4.03% ranked the last one because where the primary development is agriculture with the least number of growing establishment; and the growth in Taipei City was slower amounting to 7.54% because its development tends to saturation. If we observe in terms of increased number of establishment units, there were increase of 33,531 and 20,771 in Taipei County and Taoyuan County respectively ranked the most, about amounting to 30% of establishment units in all industries.

Table 53 Number of Enterprise Units in all Industries, by Time of Starting Business and Sector

Unit:Enterprise

By Sector	Year-end of 2006				Year-end of 2001 ②	Survival rate ③ =①/②＊100 (%)	Exit rate 100-③ (%)
	Total	2001 and before ①	2002～2005	2006			
Grand Total (Overall Average)	**1 105 102**	**679 795**	**322 279**	**103 028**	**935 316**	**72.68**	**27.32**
Industrial Sectors	**226 048**	**159 676**	**51 228**	**15 144**	**200 890**	**79.48**	**20.52**
Mining and Quarrying	497	323	126	48	812	39.78	60.22
Manufacturing	148 017	115 976	25 987	6 054	141 376	82.03	17.97
Electricity and Gas Supply	166	130	31	5	135	96.30	3.70
Water Supply and Remediation Services	4 008	2 101	1 407	500	2 988	70.31	29.69
Construction	73 360	41 146	23 677	8 537	55 579	74.03	25.97
Service Sectors	**879 054**	**520 119**	**271 051**	**87 884**	**734 426**	**70.82**	**29.18**
Wholesale and Retail Trade	490 017	315 640	130 954	43 423	438 163	72.04	27.96
Transportation and Storage	59 364	31 519	22 632	5 213	63 384	49.73	50.27
Accommodation and Food Services	88 739	35 854	39 104	13 781	62 472	57.39	42.61
Information and Communication	11 907	5 855	4 755	1 297	8 701	67.29	32.71
Finance and Insurance	9 955	5 751	3 334	870	6 483	88.71	11.29
Real Estate	15 675	6 600	6 850	2 225	8 701	75.85	24.15
Prof. Scientific and Technical Services	40 719	25 714	11 604	3 401	28 723	89.52	10.48
Support Services	21 056	11 663	7 162	2 231	17 402	67.02	32.98
Compulsory Social Security	4	4	-	-	4	100.00	0.00
Education	14 428	5 225	7 067	2 136	…	…	…
Human Health and Social Work Services	27 548	19 087	6 476	1 985	…	…	…
Human Health Services	21 538	15 647	4 339	1 552	19 712	79.38	20.62
Residential Care Services	1 477	787	539	151	…	…	…
Other Social Work Services	4 533	2 653	1 598	282	…	…	…
Arts, Entertainment and Recreation	17 919	5 706	8 307	3 906	11 333	50.35	49.65
Other Services	81 723	51 501	22 806	7 416	69 348	74.26	25.74

Table 54 Number of Establishment Units in All Industries, by County (City)

Unit:Establishment

By County/City	End of 2006		End of 2001		Change	
	Number of Establishments	Distribution (%)	Number of Establishments	Distribution (%)	Number of Establishments	(%)
Grand Total	**1 158 362**	**100.00**	**971 500**	**100.00**	**186 862**	**19.23**
Taiwan Area	**1 155 131**	**99.72**	**968 888**	**99.73**	**186 243**	**19.22**
Northern Region	**529 881**	**45.74**	**447 141**	**46.03**	**82 740**	**18.50**
Taipei City	184 256	15.91	171 343	17.64	12 913	7.54
Keelung City	18 028	1.56	15 797	1.63	2 231	14.12
Hsinchu City	21 536	1.86	16 888	1.74	4 648	27.52
Taipei County	178 318	15.39	144 787	14.90	33 531	23.16
Yilan County	22 391	1.93	18 615	1.92	3 776	20.28
Taoyuan County	85 810	7.41	65 039	6.69	20 771	31.94
Hsinchu County	19 542	1.69	14 672	1.51	4 870	33.19
Central Region	**286 975**	**24.77**	**240 163**	**24.72**	**46 812**	**19.49**
Taichung City	71 462	6.17	55 093	5.67	16 369	29.71
Miaoli County	22 288	1.92	19 913	2.05	2 375	11.93
Taichung County	83 128	7.18	66 961	6.89	16 167	24.14
Changhua County	62 134	5.36	55 343	5.70	6 791	12.27
Nantou County	21 664	1.87	17 573	1.81	4 091	23.28
Yunlin County	26 299	2.27	25 280	2.60	1 019	4.03
Southern Region	**312 339**	**26.96**	**258 319**	**26.59**	**54 020**	**20.91**
Kaohsiung City	87 184	7.53	73 535	7.57	13 649	18.56
Chiayi City	17 509	1.51	14 959	1.54	2 550	17.05
Tainan City	47 321	4.09	39 237	4.04	8 084	20.60
Chiayi County	19 036	1.64	16 030	1.65	3 006	18.75
Tainan County	47 031	4.06	38 640	3.98	8 391	21.72
Kaohsiung County	55 336	4.78	42 499	4.37	12 837	30.21
Pingtung County	34 343	2.96	29 323	3.02	5 020	17.12
Penghu County	4 579	0.40	4 096	0.42	483	11.79
Eastern Region	**25 936**	**2.24**	**23 265**	**2.39**	**2 671**	**11.48**
Taitung County	9 922	0.86	8 633	0.89	1 289	14.93
Hualien County	16 014	1.38	14 632	1.51	1 382	9.45
Kinmen-Matsu Area	**3 231**	**0.28**	**2 612**	**0.27**	**619**	**23.70**
Kinmen County	2 535	0.22	1 993	0.21	542	27.20
Lienchiang County	696	0.06	619	0.06	77	12.44

2. Scale of enterprise operation

▲The expansion of average operation scale in industrial sectors was faster.

Viewing the average operation scale of industry and commerce in 2006, since there were more new small-scale enterprises established the number of employees of every enterprise declined to 6.8 persons from 7.1 persons by the end of 2001. However, its reduction range 4.23% is slower than 6.58% in 2001census; averagely the assets actually utilized of every enterprise was NT$96,520,000 which is more NT$1,4370,000 or 17.49% than the same by the end of 2001; averagely, year-round production value of every enterprise was NT$21,660,000, which is more NT$4,480,000 or 26.08% than the same in 2001. Viewing in terms of two sectors, the growth trend of their average number of persons engaged and the scale of assets were similar, however, the year-round total production value in average and year-round total operating revenues of industrial sector were more 44.22% and 65.42% respectively than the same in 2001, and higher than 8.14% and 21.36% than the same of service sectors.

▲Average operation scale of Manufacturing and Transportation and Storage grew faster in past five years.

Viewing in terms of industry section since the operation scale of Optoelectronic Industry of Manufacturing expanded speedy that averagely the number of persons engaged and assets of every enterprise in the industrial sectors increased 5.81% and 30.39% respectively. The averagely total year-round operating revenues and total year-round production value of every enterprise also obviously grew 85.25% and 60.25% respectively. In service sector, because the entrance of large-scale public transportation industry and the exit of small-scale taxi industry, so that the average operation scale Transportation and Storage rose. Among which, aside from the number of persons engaged per enterprise grew 7.02% that is a little low, all the other three indicators grew over 40%, becoming the prominent one of service sectors. Moreover, the number of person engaged per enterprise in Support Services grew nearly 60% to 70% at the top one in terms of increase range, due to the adjustment of its industrial structure, and the increase range of other three indictors exceeded 20% to 60% too. As for Information and Communication and Arts, Entertainment and Recreation, its average operation scale declined obviously because large growth of small-scale enterprises that.

3. Manpower utilization

(1) Number of persons engaged of establishment unit

▲ Nearly 890,000 employment opportunities increased in industry and commerce for past five years; and the employment opportunities of Manufacturing increased the most with more than 257,000 persons.

By the end of 2006, the number of persons engaged of establishment in all industries reached 7,549,912 that increased 886,562 or 13.31% in past five years, being higher than 1.16% in 2001 census. Among which, the growing number of persons engaged in the industrial sector was changed into positive from minus after experiencing the severe depression, contributing about 30% new employment opportunities to every industry. Because speedy growth of Electronic Parts and Components industry, there were 257,174 persons increased in Manufacturing for past five years as the number one. As for Support Services, there was new increase of 130,195 employment opportunities at the second position because enterprise hired dispatch labor or outsourced parts of business in recent years. There was 80,916 number of persons engaged increased in Professional Scientific and Technical Services due to new increase of “corporate managing units institution for enterprises”; in addition, 70,776 employment opportunities also increased in Wholesale and Retail Trade.

As for the growth rate of every industry, Support Services grew fastest by 99.05%; Professional Scientific and Technical Services was next by increase of 56.61%; Real Estate increased 35.42% at number three; Mining and Quarrying reduced 38.81% due to restriction of industry development, with Transportation and Storage and Other services showing decline.

Table 55 Average Operation Scale of All Industries, by Sector

By Sector	Number of persons engaged of every enterprise (Person)		Average assets actually utilized of every enterprise (NT$1000)		Average total production value of every enterprise (NT$1000)		Average operating revenues of every enterprise (NT$1000)	
	End of 2006	End of 2001	End of 2006	End of 2001	2006	2001	2006	2001
Overall Average	**6.8**	**7.1**	**96 519**	**82 149**	**21 658**	**17 178**	**39 833**	**28 871**
Industrial Sectors	**14.3**	**14.7**	**114 763**	**97 066**	**68 582**	**47 553**	**96 558**	**58 371**
Mining and Quarrying	10.0	10.3	44 172	47 368	42 290	27 963	43 587	29 237
Manufacturing	18.2	17.2	148 588	113 959	93 659	58 444	133 263	71 937
Electricity and Gas Supply	193.7	239.2	10 144 904	10 317 115	2 573 325	2 508 228	3 103 997	2 704 288
Water Supply and Remediation Services	6.9	8.4	110 764	123 196	21 936	21 370	22 059	21 196
Construction	6.5	8.2	24 516	28 591	15 044	15 566	20 124	19 860
Service Sectors	**4.9**	**5.1**	**91 827**	**78 069**	**9 591**	**8 869**	**25 246**	**20 802**
Wholesale and Retail Trade	3.9	4.1	15 806	17 342	5 205	4 352	23 461	17 803
Transportation and Storage	6.1	5.7	72 735	43 879	18 541	12 890	18 410	12 785
Accommodation and Food Services	3.6	4.0	9 377	11 929	4 280	5 010	4 329	5 194
Information and Communication	15.1	18.8	140 412	184 184	63 225	79 342	63 283	79 757
Finance and Insurance	37.8	57.2	5 967 838	6 079 711	186 760	233 861	571 114	589 612
Real Estate	5.4	7.2	141 554	249 723	16 526	14 901	37 387	14 666
Prof. Scientific and Technical Services	4.4	5.0	13 550	14 786	9 155	9 894	9 177	9 946
Support Services	12.5	7.5	19 339	15 055	10 626	8 398	10 997	8 490
Compulsory Social Security	1148.5	1025.5	310 385 240	215 763 341	8 274 844	9 168 012	176 320 544	147 108 345
Education	5.6	…	21 232	…	3 923	…	3 936	…
Human Health and Social Work Services	12.7	…	40 592	…	21 427	…	20 597	…
Human Health Services	12.9	11.2	41 058	35 784	24 878	22 189	24 242	21 940
Residential Care Services	19.4	…	99 866	…	16 279	…	10 592	…
Other Social Work Services	9.8	…	19 064	…	6 711	…	6 543	…
Arts, Entertainment and Recreation	3.8	5.2	24 524	33 930	4 791	6 128	4 866	6 286
Other Services	1.8	2.1	5 641	5 500	2 042	2 407	2 111	2 488

▲The contribution of service sectors to employment continued increase.

Viewing from the distribution of number of persons engaged, there were 4,363,989 persons engaged in service sectors amounting to 57.80%, continuing to increase 1.38 percentage point than that by the end of 2001. Moreover, there were 3,185,923 persons engaged in industrial sectors, with proportion of 42.20% declined from 43.58% by the end of 2001, showing that the employment population still concentrated toward service sectors. If we observe from industry section, it is found that 2,640,076 persons engaged in Manufacturing amounting to 34.97%, 1,900,823 persons engaged in Wholesale and Retail Trade amounting to 25.18%, 484,024 persons engaged in Construction amounting to 6.41% ranked top three; however, its distribution proportion declined 0.79, 2.28 and 0.49 percentage point respectively than that by the end of 2001. As for the proportion of Support Services was 3.47%, increasing the most by 1.50 percentage point for past five years.

▲ Industry and commerce in Taipei County and Taoyuan County provided nearly 35% new employment opportunities for past five years; the development of industrial science park brought the growth of number of persons engaged.

By the end of 2006, the number of persons engaged of establishments in industry and commerce from northern region was the most amounting to 55.15%, however, was less 0.04 percentage point than the same by the end of 2001; and the proportion in southern and central region amounted to 22.48% and 20.88% respectively. As for the proportion in eastern region and in Kinmen-Matsu area was amounted to 1.33% and 0.16% respectively. If we observe in terms of county and city, Taipei City and Taipei County were ranked top two with 1,707,827 and 1,125,745 persons, amounting to 22.62% and 14.91% respectively; if we view the employment opportunities increased for past five years, there were in total of 309,883 persons increased in Taipei County and Taoyuan County where provided nearly 35% new employment opportunities with the most contribution; the next order was 80,838 persons increased in Taichung County and 72,717 persons increased in Taipei City.

Furthermore, let us view the growing speed of number of persons engaged for past five years, since the growth trend of Taiwan area was under deep influence by the development of industrial science park, the growth in southern region was fastest by 14.15%. The next was northern region increased 13.22%, and the third position was central region by 12.87%. Eastern region grew by 7.59% for past five years because active development of tourism and travelling presenting the performance of regional development. If we observe in terms of country/city, Hsinchu County and Hsinchu City grew by 35.56% and 31.64% as the fastest;

as for the growth of persons engaged in Yilan County, Chiayi City and Keelung City was less than 2.00%. As for Kinmen-Matsu area where the number of persons engaged increased 38.63% due to the growth of industry and commerce.

Table 56 The number of persons engaged in establishment units of all industries, by sector

Unit：Person

By Sector	End of 2006		End of 2001		Change	
	Number of person	Distribution (%)	Number of person	Distribution (%)	Number of person	(%)
Grand Total	**7 549 912**	**100.00**	**6 663 350**	**100.00**	**886 562**	**13.31**
Industrial Sectors	**3 185 923**	**42.20**	**2 903 746**	**43.58**	**282 177**	**9.72**
Mining and Quarrying	5 239	0.07	8 562	0.13	-3 323	-38.81
Manufacturing	2 640 076	34.97	2 382 902	35.76	257 174	10.79
Electricity and Gas Supply	29 083	0.39	27 837	0.42	1 246	4.48
Water Supply and Remediation Services	27 501	0.36	24 975	0.37	2 526	10.11
Construction	484 024	6.41	459 470	6.90	24 554	5.34
Service Sectors	**4 363 989**	**57.80**	**3 759 604**	**56.42**	**604 385**	**16.08**
Wholesale and Retail Trade	1 900 823	25.18	1 830 047	27.46	70 776	3.87
Transportation and Storage	358 867	4.75	363 903	5.46	-5 036	-1.38
Accommodation and Food Services	324 878	4.30	255 549	3.84	69 329	27.13
Information and Communication	173 071	2.29	161 972	2.43	11 099	6.85
Finance and Insurance	376 671	4.99	370 006	5.55	6 665	1.80
Real Estate	83 274	1.10	61 494	0.92	21 780	35.42
Prof. Scientific and Technical Services	223 861	2.97	142 945	2.15	80 916	56.61
Support Services	261 640	3.47	131 445	1.97	130 195	99.05
Compulsory Social Security	4 594	0.06	4 102	0.06	492	11.99
Education	81 084	1.07	…	…	…	…
Human Health and Social Work Services	349 593	4.63	…	…	…	…
Human Health Services	277 019	3.67	220 126	3.30	56 893	25.85
Residential Care Services	28 628	0.38	…	…	…	…
Other Social Work Services	43 946	0.58	…	…	…	…
Arts, Entertainment and Recreation	67 841	0.90	58 895	0.88	8 946	15.19
Other Services	157 792	2.09	159 120	2.39	-1 328	-0.83

Table 57 The number of persons engaged of establishments in all industries, by county and city

Unit：Person

By County/City	End of 2006		End of 2001		Change	
	Number of person	Distribution (%)	Number of person	Distribution (%)	Number of person	(%)
Grand Total	**7 549 912**	**100.00**	**6 663 350**	**100.00**	**886 562**	**13.31**
Taiwan Area	**7 537 976**	**99.84**	**6 654 740**	**99.87**	**883 236**	**13.27**
Northern Region	**4 163 448**	**55.15**	**3 677 387**	**55.19**	**486 061**	**13.22**
Taipei City	1 707 827	22.62	1 635 110	24.54	72 717	4.45
Keelung City	77 222	1.02	76 205	1.14	1 017	1.33
Hsinchu City	224 625	2.98	170 640	2.56	53 985	31.64
Taipei County	1 125 745	14.91	960 992	14.42	164 753	17.14
Yilan County	94 672	1.25	93 762	1.41	910	0.97
Taoyuan County	752 107	9.96	606 977	9.11	145 130	23.91
Hsinchu County	181 250	2.40	133 701	2.01	47 549	35.56
Central Region	**1 576 724**	**20.88**	**1 396 978**	**20.97**	**179 746**	**12.87**
Taichung City	413 769	5.48	367 889	5.52	45 880	12.47
Miaoli County	127 913	1.69	117 127	1.76	10 786	9.21
Taichung County	489 892	6.49	409 054	6.14	80 838	19.76
Changhua County	328 251	4.35	301 273	4.52	26 978	8.95
Nantou County	94 868	1.26	83 478	1.25	11 390	13.64
Yunlin County	122 031	1.62	118 157	1.77	3 874	3.28
Southern Region	**1 697 178**	**22.48**	**1 486 850**	**22.31**	**210 328**	**14.15**
Kaohsiung City	522 388	6.92	486 418	7.30	35 970	7.39
Chiayi City	68 873	0.91	68 189	1.02	684	1.00
Tainan City	217 019	2.87	189 211	2.84	27 808	14.70
Chiayi County	87 266	1.16	81 234	1.22	6 032	7.43
Tainan County	346 334	4.59	279 747	4.20	66 587	23.80
Kaohsiung County	315 600	4.18	250 129	3.75	65 471	26.17
Pingtung County	126 696	1.68	119 460	1.79	7 236	6.06
Penghu County	13 002	0.17	12 462	0.19	540	4.33
Eastern Region	**100 626**	**1.33**	**93 525**	**1.40**	**7 101**	**7.59**
Taitung County	34 112	0.45	29 385	0.44	4 727	16.09
Hualien County	66 514	0.88	64 140	0.96	2 374	3.70
Kinmen-Matsu Area	**11 936**	**0.16**	**8 610**	**0.13**	**3 326**	**38.63**
Kinmen County	9 858	0.13	7 165	0.11	2 693	37.59
Lienchiang County	2 078	0.03	1 445	0.02	633	43.81

(2) Utilization of dispatched labor

▲There were 7,792 enterprises of industry and commerce using dispatched workforce, averagely used more than 114,000 persons every month.

With the severe competition of industry, enterprise using dispatched workforce in order to reduce workforce cost is gradually popular. There were 7,792 enterprises of all industries using dispatched work force in 2006, averagely 114,506 dispatched persons were used monthly, amounting to 1.68% of hired employees; the year-round dispatch expenditures was NT$26 billion amounting to 0.06% of all expenditures.

If we observe in terms of industry section, there were 1,777, 1,695 and 1,522 enterprises of Wholesale and Retail trade, Manufacturing and Construction using dispatched labor, ranked the top three. As for the proportion of the number of enterprises in all industries using dispatched labor, aside from the 50.00% and 6.02% of Compulsory Social Security, and Electricity & Gas Supply respectively, the proportion of Human Health and Social Work Services 2.19% was the most; both Construction and Information & Communication also exceeded 2.00% too.

As for the average use of dispatched labor monthly in all industries, Manufacturing was using 47,065 persons at the number one. Its year-round dispatch expenditures NT$11.5 billion amounting to 44% of all industries, being the most of all industries too; in addition, Construction using 12,927 persons, Wholesale and Retail Trade using 12,098 persons, and Finance and Insurance using 10,142 persons ranked as 2^{nd} to 4^{th} position. If we observe in terms of the proportion of dispatched workforce to hired employees, Mining and Quarrying 5.11% was the number one. Its year-round dispatch expenditures amounting to 0.39% of all expenditures was number one among all industries; the next was Information and Communication was amounted to 3.55%, and Construction and Finance & Insurance amounting to 2.94% and 2.71% were ranked as the third and the fourth; as for Electricity and Gas Supply was amounted to 0.32% only being the lowest one.

4. Labor compensation

(1) Average year-round labor compensation per person engaged

▲Average year-round labor compensation per person engaged in 2006 grew 7.52% only.

In 2006, the labor compensation of all industries was NT$ 4 trillion and 84.9 billion, increasing 731.9 billion or 21.83% for past five years, and was higher than 16.65% in 2001 census. However, under the influence of such factors as the trend of enterprise merging, newly emerging countries to take manpower market, and lower salary with the newly recruited employee as state enterprise is turned privatized, the average year-round labor compensation per person engaged was NT$541,054. It only increased NT$37,851 or 7.52% for past five years, lower than NT$ 66,846 or 15.32% increased in 2001 census. If it was to eliminate the factor of changing price of commodities, in average the actual year-round labor compensation grew 0.65% only. In terms of sectors, in industrial sectors, the average year-round labor compensation per person engaged increased NT$63,724 or 13.04%, and growth rate of service sectors largely declined 3.46% from 16.63% in 2001census. Further viewing in terms of industries, Manufacturing grew by 14.46% contributing to the industrial sectors most. Mining and Quarrying grew by 13.81% as second one. Both Electricity & Gas Supply and Water Supply & Remediation Services showed negative growth. As for service sectors, aside from Support Services having lower growth of dispatch workforce with less labor compensation, and Information & Communication as state enterprise is turned privatized that manpower cost declined, leading to negative growth of 9.73% and 5.91% respectively, remained industries showed increase among which Finance and Insurance grew most by 10.81%.

Table 58 The status of all industries using dispatched labor, by sector

2006

By Sector	Year-end number of enterprise units ① (Number)	Utilization of dispatch labor: Number of enterprise ② (Number)	②/①*100 (%)	Number of dispatch laborers utilized averagely per month (Person)	Proportion of this number to persons employed (%)	Year-round expenditures for dispatch labor (NT$Million)	Proportion of this expenditures to all expenditures (%)
Grand Total(Overall Average)	**1 105 102**	**7 792**	**0.71**	**114 506**	**1.68**	**25 986**	**0.06**
Industrial Sectors	**226 048**	**3 254**	**1.44**	**60 550**	**1.93**	**12 932**	**0.06**
Mining and Quarrying	497	4	0.80	248	5.11	75	0.39
Manufacturing	148 017	1 695	1.15	47 065	1.79	11 453	0.06
Electricity and Gas Supply	166	10	6.02	103	0.32	25	0.00
Water Supply and Remediation Services	4 008	23	0.57	207	0.78	90	0.11
Construction	73 360	1 522	2.07	12 927	2.94	1 289	0.09
Service Sectors	**879 054**	**4 538**	**0.52**	**53 956**	**1.46**	**13 053**	**0.06**
Wholesale and Retail Trade	490 017	1 777	0.36	12 098	0.80	2 433	0.02
Transportation and Storage	59 364	252	0.42	8 076	2.57	2 063	0.19
Accommodation and Food Services	88 739	320	0.36	1 871	0.71	365	0.11
Information and Communication	11 907	242	2.03	6 310	3.55	1 446	0.20
Finance and Insurance	9 955	187	1.88	10 142	2.71	4 068	0.08
Real Estate	15 675	197	1.26	1 735	2.09	218	0.04
Prof. Scientific and Technical Services	40 719	343	0.84	2 348	1.42	452	0.14
Support Services	21 056	240	1.14	2 994	1.17	287	0.14
Compulsory Social Security	4	2	50.00	66	1.44	30	0.00
Education	14 428	108	0.75	378	0.54	43	0.09
Human Health and Social Work Services	27 548	603	2.19	5 927	1.76	1 390	0.25
Human Health Services	21 538	427	1.98	4 544	1.71	1 104	0.22
Residential Care Services	1 477	132	8.94	1 166	4.18	269	1.11
Other Social Work Services	4 533	44	0.97	217	0.52	17	0.06
Arts, Entertainment and Recreation	17 919	81	0.45	1 109	1.86	155	0.19
Other Services	81 723	186	0.23	902	1.01	102	0.07

If we rank sectors, based on average year-round labor compensation per person engaged, the top four in 2006 is same as in 2001 census. Electricity & Gas Supply and Compulsory Social Security of primary public business still ranked top two as NT$1,205,370 and NT$1,173,893 respectively; and the next was Finance and Insurance of NT$986,955; Information and Communication of NT$781,046 ranked the fourth; and Education of NT$333,313 was the last one.

(2) The proportion of labor cost

▲The proportion of non-salary compensation per person engaged in industry and commerce for past five years increased 2.57 percentage point; Real Estate increased most by 4.17 percentage point.

If define the portion of labor compensation other than basic salary, overtime pay, various bonuses and allowances, for instance retiree's pension, severance pay, employee premium and various welfare expenditures as non-salary compensation. Viewing the year-round labor compensation per person engaged of all industries in 2006, we will found among which the proportion of non-salary compensation was 12.25%, increasing 2.57 percentage point for past five years as over eight times in 2001. It main reason is that the enforcement of New Labor Retirement in System in July 2005 and an increase of lodgment for staff's and employee's pension, among which Real Estate increased most by 4.17 percentage point. The next was wholesale and Retail Trade increasing 3.81 percentage point. Finance & Insurance, Construction and Arts, Entertainment & Recreation Services also increase over 3.30 percentage point. As for Information & Communication and Electricity & Gas Supply declined 1.81 percentage point and 1.64 percentage point respectively because the main reason that the scale of new enterprise was smaller than the same in 2001.

▲The proportion of labor compensation to total expenditures for past five years declined 3.00 percentage point; Real estate declined most by 14.47 percentage point.

In 2006, under the influence of soaring price of global bulk materials, basic metal and petrochemical raw materials, and the increase of enterprise's raw materials, fuel and purchase cost, the year-round expenditures of all industries increased 59.44%. It was far more than 21.83%, the growth of labor compensation, leading to that the proportion of labor compensation to total expenditures of all industries declined to 9.72% from 12.72% in 2001, reducing 3.00 percentage point for past five years. Among which, industrial sectors reduced 3.71% which is higher 2.22 percentage point reduced by service sectors. If we observe in terms of various industry sections, every industry section in industrial sectors presented decline, particularly Water Supply and Remediation Services reduced most by 6.52

percentage point. Construction reduced slower by 1.55 percentage point. As for service sectors, due to large incase of proportion for outsourcing construction cost to all expenditures, the proportion of labor compensation in Real Estate declined obviously by 14.47 percentage point. Support Services as belong to the workforce supply unit still increased 8.38 percentage point for past five years with top one of growth range.

Furthermore to ranking the proportion of labor compensation amounted to total expenditures in all industries, Education amounting to 55.80%, Support Services 48.32%, and Human Health & Social Work Services 47.09% ranked top three. Due to huge amount of insurance settlement, the labor compensation of Compulsory Social Security amounted to 0.77% only being the least one.

Table 59 The Number of persons engaged and labor compensation in all industries, by sector

By Sector	2006			2001			Increase or decrease of average year-round labor compensation per person engaged	
	Year-end number of persons engaged (Person)	Year-round labor compensation (NT$Million)	Year-round average labor compensation per person engaged (NT$)	Year-end number of persons engaged (Person)	Year-round labor compensation (NT$Million)	Year-round average labor compensation per person engaged (NT$)	Amount (NT$)	(%)
Grand Total (Overall Average)	**7 549 912**	**4 084 910**	**541 054**	**6 663 350**	**3 353 020**	**503 203**	**37 851**	**7.52**
Industrial Sectors	**3 240 266**	**1 790 528**	**552 587**	**2 947 651**	**1 440 997**	**488 863**	**63 724**	**13.04**
Mining and Quarrying	4 969	3 493	703 025	8 374	5 173	617 722	85 303	13.81
Manufacturing	2 695 984	1 495 253	554 622	2 426 791	1 175 875	484 539	70 083	14.46
Electricity and Gas Supply	32 147	38 749	1 205 370	32 297	39 998	1 238 455	-33 085	-2.67
Water Supply and Remediation Services	27 809	19 652	706 665	25 220	18 123	718 593	-11 928	-1.66
Construction	479 357	233 382	486 864	454 969	201 829	443 610	43 254	9.75
Service Sectors	**4 309 646**	**2 294 381**	**532 383**	**3 715 699**	**1 912 023**	**514 580**	**17 803**	**3.46**
Wholesale and Retail Trade	1 889 924	811 135	429 189	1 795 799	730 507	406 787	22 402	5.51
Transportation and Storage	360 552	211 215	585 811	364 182	202 833	556 955	28 856	5.18
Accommodation and Food Services	323 692	117 748	363 767	252 867	86 411	341 725	22 042	6.45
Information and Communication	179 371	140 097	781 046	163 833	136 000	830 111	-49 065	-5.91
Finance and Insurance	376 646	371 733	986 955	370 555	330 035	890 651	96 304	10.81
Real Estate	83 932	46 545	554 553	63 035	32 240	511 463	43 090	8.42
Prof. Scientific and Technical Services	179 356	114 724	639 646	143 695	83 218	579 128	60 518	10.45
Support Services	262 978	102 339	389 156	130 357	56 199	431 119	-41 963	-9.73
Compulsory Social Security	4 594	5 393	1 173 893	4 102	4 574	1 114 972	58 921	5.28
Education	80 980	26 992	333 313	…	…	…	…	…
Human Health and Social Work Services	349 956	260 075	743 166	…	…	…	…	…
Human Health Services	277 070	231 636	836 020	220 033	172 713	784 942	51 078	6.51
Residential Care Services	28 624	11 906	415 957	…	…	…	…	…
Other Social Work Services	44 262	16 533	373 528	…	…	…	…	…
Arts, Entertainment and Recreation	68 613	28 488	415 201	59 438	22 459	377 855	37 346	9.88
Other Services	149 052	57 896	388 427	147 803	54 834	370 994	17 433	4.70

Table 60 The proportion of labor compensation to total expenditures for enterprises in all industries, by sector

By Sector	2006				2001			
	The proportion of labor compensation to total expenditure	Year-round average labor compensation per person engaged			The proportion of labor compensation to total expenditure	Year-round average labor compensation per person engaged		
			Salary compensation	Non-salary compensation			Salary compensation	Non-salary compensation
	(%)	(NT$)	(%)	(%)	(%)	(NT$)	(%)	(%)
Overall Average	**9.72**	**541 054**	**87.75**	**12.25**	**12.72**	**503 203**	**90.32**	**9.68**
Industrial Sectors	**8.58**	**552 587**	**86.52**	**13.48**	**12.29**	**488 863**	**89.24**	**10.76**
Mining and Quarrying	18.10	703 025	84.69	15.31	24.14	617 722	87.07	12.93
Manufacturing	7.93	554 622	86.12	13.88	11.52	484 539	88.82	11.18
Electricity and Gas Supply	7.57	1 205 370	85.78	14.22	11.73	1 238 455	84.14	15.86
Water Supply and Remediation Services	23.50	706 665	83.01	16.99	30.02	718 593	84.64	15.36
Construction	16.88	486 864	89.54	10.46	18.43	443 610	93.15	6.85
Service Sectors	**10.84**	**532 383**	**88.70**	**11.30**	**13.06**	**514 580**	**91.14**	**8.86**
Wholesale and Retail Trade	7.34	429 189	89.52	10.48	9.70	406 787	93.33	6.67
Transportation and Storage	19.48	585 811	86.50	13.50	24.61	556 955	88.19	11.81
Accommodation and Food Services	33.88	363 767	91.45	8.55	28.28	341 725	93.70	6.30
Information and Communication	19.48	781 046	85.14	14.86	21.62	830 111	83.33	16.67
Finance and Insurance	6.92	986 955	84.91	15.09	9.15	890 651	88.54	11.46
Real Estate	8.73	554 553	87.55	12.45	23.20	511 463	91.72	8.28
Prof. Scientific and Technical Services	34.31	639 646	89.65	10.35	31.29	579 128	92.50	7.50
Support Services	48.32	389 156	90.57	9.43	39.94	431 119	93.28	6.72
Compulsory Social Security	0.77	1 173 893	81.61	18.39	0.81	1 114 972	83.94	16.06
Education	55.80	333 313	92.33	7.67	…	…	…	…
Human Health and Social Work Services	47.09	743 166	91.96	8.04	…	…	…	…
Human Health Services	46.27	836 020	92.21	7.79	42.22	784 942	92.75	7.25
Residential Care Services	49.01	415 957	88.36	11.64	…	…	…	…
Other Social Work Services	60.54	373 528	90.92	9.08	…	…	…	…
Arts, Entertainment and Recreation	35.07	415 201	89.58	10.42	34.09	377 855	92.89	7.11
Other Services	39.79	388 427	92.16	7.84	36.60	370 994	94.17	5.83

5. Year-round total revenues and profits

▲Total year-round revenues of industry and commerce increased 63.40% for past five years among which Real Estate grew most with more than three times.

Since globally economic recovery and speedy growth of domestic industry and commerce in 2006, total year-round revenues of the year reached NT$45 trillion and 309.4 billion, which increased 63.40% than 2001, and averagely increased about 10.32% every year. Among which, industrial sectors grew 86.31%, faster than 45.52% of service sectors. If we observe in terms of change trend of every industry section, in industrial sectors aside from Mining and Quarrying restricted by industrial development showing negative growth by 8.40%, the growth rate of remained sections reached over 33%. Particularly, Manufacturing because advantage by such factors as the soaring price of global materials and steel, the expansively booming economy of semiconductor industry, and drastic needs of consumption electronic products that revenues of related industries increased dually, with growth rate reaching to 93.98% as the number one. In service sectors, the revenue of Real Estate, due to prosperous transaction of property, largely grew by more than three times as the number one. The next was Support Services growing 56.90% because enterprises sought for workforce dispatch or project outsourcing in order to reduce cost, so that the demand of non-traditional employment population increased severely; in addition, the growth rate of Finance & Insurance and Wholesale & Retail Trade exceeded 46% too.

Viewing in terms of the distribution rate of revenue structure, total revenues NT$22 trillion and 668.3 billion of service sectors still was the most by 50.03% in 2006. As for industrial sectors, its total revenues were NT$22 trillion and 641.2 billion with increased proportion of 6.14 percentage point for past five years up to 49.97%. Among every industry, the total year-round revenues NT$20 trillion and 507 billion or amounting to 45.26% of Manufacturing was ranked number one and its proportion increased 7.14% for past five years, higher than other industries. The next was the Wholesale and Retail trade with NT$11 trillion and 620.4 billion amounting to 25.65%, and its proportion declined 2.91 percentage point than in 2001. Finance and Insurance had NT$5 trillion and 822.4 billion, amounting to 12.85% at the third rank. The proportion of remained industries was less than 4.00%.

▲The profit rate of industry and commerce raised obviously by 2.30 percentage point for past five years, among which the profit of Real Estate profit increased most by 7.63 percentage point.

The profit rate of industry and commerce in 2006 was 7.23%, enhanced by 2.30 percentage point as against 4.93% of 2001. If we observe in terms of sector, the profit rate of industrial sectors was 7.87%, increasing 4.35 percentage point for past five years, higher 0.57 percentage point than 6.60% of service sectors.

Viewing the change of profit rate of every industry for past five years, in industrial sectors the profit rate of Construction was 7.57% increasing most by 5.29 percentage point because the advantage of the prosperous construction market, in addition to professional division of labor to reduce construction cost. As for Manufacturing, its profit rate raised as 8.02%, higher 4.57 percentage point than in 2001 at the number two because of globalized layout and vertical and horizontal integration effect, reduction of production cost, in addition to the expansively booming economy of Petrochemical and Metal Manufacturing. The profit rate of Mining and Quarrying was 11.78%, increasing 1.51 percentage point ranked as the third. As for the profit rate of Electricity and Gas Supply declined by 5.41 percentage point because power generation cost increased and new private-operated power plant did not start to operate. In service sectors, Real Estate increased most by 7.63% because of the prosperous price of property in the future. As for the profit rate of Accommodation and Food Services raised 4.05 percentage point at the position of number two because of continuous development of tourism and travelling, getting rid of traditional management mode and creating the profit space by high value. As for Support Services, its profit rate increased by 3.77 percentage point due to emerging lease and employment services. The profit rate of Professional, Scientific & Technical Services and Transportation & Storage increased over 3 percentage point too. As for the profit rate of Information and Communication declined 2.42 percentage point because severe competition of telecom market with extensive compression of profit in recent years.

Table 61 The year-round revenues and profit rate of enterprises in all industries, by sector

By Sector	Year-round total revenues (NT$Million)					Profit rate (%)		
	2006		2001		Change (%)	2006	2001	Change Percentage
	Amount	Distribution (%)	Amount	Distribution (%)				
Grand Total (Overall Average)	**45 309 442**	**100.00**	**27 729 328**	**100.00**	**63.40**	**7.23**	**4.93**	**2.30**
Industrial Sectors	**22 641 171**	**49.97**	**12 152 400**	**43.83**	**86.31**	**7.87**	**3.52**	**4.35**
Mining and Quarrying	21 873	0.05	23 878	0.09	-8.40	11.78	10.27	1.51
Manufacturing	20 506 965	45.26	10 571 633	38.12	93.98	8.02	3.45	4.57
Electricity and Gas Supply	526 360	1.16	371 112	1.34	41.83	2.74	8.15	-5.41
Water Supply and Remediation Services	90 399	0.20	65 137	0.23	38.78	7.50	7.32	0.18
Construction	1 495 573	3.30	1 120 641	4.04	33.46	7.57	2.28	5.29
Service Sectors	**22 668 271**	**50.03**	**15 576 927**	**56.17**	**45.52**	**6.60**	**6.03**	**0.57**
Wholesale and Retail Trade	11 620 362	25.65	7 919 497	28.56	46.73	4.92	4.89	0.03
Transportation and Storage	1 151 244	2.54	846 585	3.05	35.99	5.83	2.66	3.17
Accommodation and Food Services	391 356	0.86	329 071	1.19	18.93	11.19	7.14	4.05
Information and Communication	798 643	1.76	717 756	2.59	11.27	9.94	12.36	-2.42
Finance and Insurance	5 822 444	12.85	3 884 875	14.01	49.87	7.79	7.11	0.68
Real Estate	610 151	1.35	146 204	0.53	317.33	12.57	4.94	7.63
Prof. Scientific and Technical Services	379 934	0.84	291 336	1.05	30.41	11.99	8.71	3.28
Support Services	238 479	0.53	151 992	0.55	56.90	11.19	7.42	3.77
Compulsory Social Security	719 107	1.59	596 996	2.15	20.45	3.19	5.05	-1.86
Education	56 931	0.13	…	…	…	15.04	…	…
Human Health and Social Work Services	615 979	1.36	…	…	…	10.35	…	…
Human Health Services	558 298	1.23	444 648	1.60	25.56	10.33	7.99	2.34
Residential Care Services	26 822	0.06	…	…	…	9.42	…	…
Other Social Work Services	30 859	0.07	…	…	…	11.51	…	…
Arts, Entertainment and Recreation	89 733	0.20	73 135	0.26	22.70	9.46	9.91	-0.45
Other Services	173 908	0.38	174 832	0.63	-0.53	16.33	14.32	2.01

6. Assets used in operation

▲The assets used in operation in industry and commerce for past five years increased 38.82%, and Finance and Insurance increased NT$19 trillion and 995.1 billion as the most.

The assets used in operation in all industries was NT$106 trillion and 663.2 billion by the end of 2006, increasing 38.82% for past five years, lower than 43.44% increased in 2001 census because of the economy development tended to mature and the expansion of entire assets tended to slow.

If we observe in terms of the change trend for last five years, industrial sectors grew by 33.04%, among which Manufacturing grew by 36.51% as the number 1. Electricity & Gas Supply and Water Supply & Remediation Services grew over 20% too. Mining and Quarrying declined 42.92% because of mine sources and downgrade of the industry. Service sectors increased 40.79% for past five years; particularly the Support Services increased most by 55.43% due to speedy growth of industry. Transportation and Storage was the second by increase of 55.25% because the continuous expansion of Taiwan railroad, HSR and Metro system, the prosperous need of marine transportation market, and continuous increase of transportation equipment. Finance and Insurance was the third by increase of 50.73% due to the recovery of economy, booming market of investment and property management, speedy growth of funds, as well as business expansion of insurance industry and continuous accumulation of foreign exchange reserves in central bank.

If we observe from the distribution ratio of assets used in operation in every sector, by the end of 2006, the assets used in operation in service sectors was NT$80 trillion and 721.2 billion, with the proportion amounting to 75.68% in all industries, increasing 1.06% than that by the end of 2001. Industrial sectors was NT$25 trillion and 942.0 billion or 24.32%. Among the industries, the assets used in operation in Finance and Insurance was the most of NT$59 trillion and 409.8 billion amounting to 55.70% due to receiving whole national saving deposits and premiums. The Manufacturing was the second of NT$21 trillion and 993.6 billion amounting to 20.62%. The last one was Mining and Quarrying of NT$220 billion amounting to 0.02%. The proportion of Wholesale and Retail Trade was 7.26% declining 2.63 percentage point for past five years with the most reduction range.

▲The proportion of other assets to the assets used in operation in industry and commerce in 2006 was 44.05% as the most and continuously increasing by 6.57 percentage point for past five years.

Further viewing the structure of assets used in operation, other assets was still the most by 44.05%, the next was current assets amounting to 32.95% and the least was tangible fixed assets (self-owned, lease and loan tangible fixed assets) amounting to 23.00%. Among which other assets continuously increased 6.57 percentage point for past five years because global layout of enterprise and multiple management, as well as the continuous growth of re-investment and finance investment. Tangible tangible fixed assets and current assets reduced 4.60 and 1.97 percentage point respectively. If we observe in terms of sector, the current assets in industrial sector increased most by 4.67 percentage point due to production input and business operation. The next was other assets increasing by 2.81 percentage point. Tangible tangible fixed assets reduced by 7.47 percentage point due to increased proportion of outsourcing production by Manufacturing. In service sectors, other assets largely grew by increase of 7.38 percentage point due to extensive growth of long-term investment by Finance and Insurance. The proportion of other current assets and tangible fixed assets declined than that by the end of 2001.

Table 62　Assets used in operation in all industries, by sector

Unit:NT$Million

By Sector	End of 2006		End of 2001		Change	
	Amount	Distribution (%)	Amount	Distribution (%)	Amount	(%)
Grand Total	**106 663 190**	**100.00**	**76 835 689**	**100.00**	**29 827 501**	**38.82**
Industrial Sectors	**25 942 016**	**24.32**	**19 499 511**	**25.38**	**6 442 505**	**33.04**
Mining and Quarrying	21 953	0.02	38 463	0.05	-16 510	-42.92
Manufacturing	21 993 595	20.62	16 111 047	20.97	5 882 548	36.51
Electricity and Gas Supply	1 684 054	1.58	1 392 811	1.81	291 243	20.91
Water Supply and Remediation Services	443 941	0.42	368 110	0.48	75 831	20.60
Construction	1 798 473	1.69	1 589 081	2.07	209 392	13.18
Service Sectors	**80 721 174**	**75.68**	**57 336 178**	**74.62**	**23 384 996**	**40.79**
Wholesale and Retail Trade	7 745 122	7.26	7 598 452	9.89	146 670	1.93
Transportation and Storage	4 317 828	4.05	2 781 238	3.62	1 536 590	55.25
Accommodation and Food Services	832 128	0.78	745 247	0.97	86 881	11.66
Information and Communication	1 671 891	1.57	1 602 589	2.09	69 302	4.32
Finance and Insurance	59 409 831	55.70	39 414 763	51.30	19 995 068	50.73
Real Estate	2 218 856	2.08	2 172 838	2.83	46 018	2.12
Prof. Scientific and Technical Services	551 750	0.52	424 705	0.55	127 045	29.91
Support Services	407 212	0.38	261 990	0.34	145 222	55.43
Compulsory Social Security	1 241 541	1.16	863 053	1.12	378 488	43.85
Education	306 336	0.29	…	…	…	…
Human Health and Social Work Services	1 118 233	1.05	…	…	…	…
Human Health Services	884 314	0.83	705 369	0.92	178 945	25.37
Residential Care Services	147 502	0.14	…	…	…	…
Other Social Work Services	86 417	0.08	…	…	…	…
Arts, Entertainment and Recreation	439 440	0.41	384 529	0.50	54 911	14.28
Other Services	461 006	0.43	381 404	0.50	79 602	20.87

Table 63 Structure of assets used in operation in all industries, by sector

Unit:NT$Billion, %

By Sector		End of 2006					End of 2001				
		Total	Current Assets	Tangible fixed assets Owned	Other Assets	Fixed assets leased and lent	Total	Current Assets	Tangible fixed assets Owned	Other Assets	Fixed assets leased and lent
Grand Total	**actual amount**	**106 663.2**	**35 148.5**	**17 811.5**	**46 986.4**	**6 716.8**	**76 835.7**	**26 830.7**	**16 122.1**	**28 797.9**	**5 085.0**
(Overall Average)	**structure ratio**	**100.00**	**32.95**	**16.70**	**44.05**	**6.30**	**100.00**	**34.92**	**20.98**	**37.48**	**6.62**
Industrial	**actual amount**	**25 942.0**	**9 867.1**	**9 802.2**	**4 985.8**	**1 286.8**	**19 499.5**	**6 506.8**	**8 659.7**	**3 199.2**	**1 133.9**
Sectors	**structure ratio**	**100.00**	**38.04**	**37.79**	**19.22**	**4.96**	**100.00**	**33.37**	**44.41**	**16.41**	**5.82**
Mining and	actual amount	22.0	4.5	14.7	0.5	2.1	38.5	5.4	20.8	9.2	3.1
Quarrying	structure ratio	100.00	20.45	66.82	2.27	9.55	100.00	14.03	54.03	23.90	8.05
Manufacturing	actual amount	21 993.6	8 568.6	7 620.0	4 705.6	1 099.4	16 111.0	5 516.6	6 610.9	3 027.3	956.2
	structure ratio	100.00	38.96	34.65	21.40	5.00	100.00	34.24	41.03	18.79	5.94
Electricity and	actual amount	1 684.1	103.1	1 510.6	60.3	10.0	1 392.8	69.1	1 271.2	39.0	13.6
Gas Supply	structure ratio	100.00	6.12	89.70	3.58	0.59	100.00	4.96	91.27	2.80	0.98
Water Supply and Remediation	actual amount	443.9	27.6	367.7	19.2	29.4	368.1	25.3	310.8	18.2	13.8
Services	structure ratio	100.00	6.22	82.83	4.33	6.62	100.00	6.87	84.43	4.94	3.75
Construction	actual amount	1 798.5	1 163.3	289.1	200.2	145.9	1 589.1	890.4	445.9	105.5	147.2
	structure ratio	100.00	64.68	16.07	11.13	8.11	100.00	56.03	28.06	6.64	9.26
Service Sectors	**actual amount**	**80 721.2**	**25 281.3**	**8 009.3**	**42 000.6**	**5 429.9**	**57 336.2**	**20 323.9**	**7 462.4**	**25 598.7**	**3 951.1**
	structure ratio	**100.00**	**31.32**	**9.92**	**52.03**	**6.73**	**100.00**	**35.45**	**13.02**	**44.65**	**6.89**
Wholesale and	actual amount	7 745.1	3 168.4	1 847.2	554.9	2 174.7	7 598.5	2 763.0	2 097.8	466.5	2 271.2
Retail Trade	structure ratio	100.00	40.91	23.85	7.16	28.08	100.00	36.36	27.61	6.14	29.89
Transportation	actual amount	4 317.8	405.4	2 262.2	451.5	1 198.8	2 781.2	418.5	1 827.4	268.6	266.8
and Storage	structure ratio	100.00	9.39	52.39	10.46	27.76	100.00	15.05	65.71	9.66	9.59
Accommodation	actual amount	832.1	100.6	363.1	58.1	310.3	745.2	84.1	351.9	25.4	283.8
and Food Services	structure ratio	100.00	12.09	43.64	6.98	37.29	100.00	11.29	47.22	3.41	38.08
Information and	actual amount	1 671.9	451.9	656.3	377.3	186.4	1 602.6	388.4	851.7	185.5	177.0
Communication	structure ratio	100.00	27.03	39.25	22.57	11.15	100.00	24.24	53.14	11.57	11.04
Finance and	actual amount	59 409.8	18 396.9	891.7	39 757.2	364.0	39 414.8	14 585.1	768.8	23 728.0	332.9
Insurance	structure ratio	100.00	30.97	1.50	66.92	0.61	100.00	37.00	1.95	60.20	0.84
Real Estate	actual amount	2 218.9	1 057.7	690.3	356.7	114.2	2 172.8	1 221.1	534.1	322.8	94.8
	structure ratio	100.00	47.67	31.11	16.08	5.15	100.00	56.20	24.58	14.86	4.36
Prof. Scientific	actual amount	551.8	181.2	122.4	42.8	205.4	424.7	156.7	102.2	26.4	139.5
& Tech. Services	structure ratio	100.00	32.84	22.18	7.76	37.22	100.00	36.90	24.06	6.22	32.85
Support Services	actual amount	407.2	104.0	128.2	39.7	135.2	262.0	73.7	94.2	19.2	74.9
	structure ratio	100.00	25.54	31.48	9.75	33.20	100.00	28.13	35.95	7.33	28.59
Compulsory	actual amount	1 241.5	1 047.4	7.4	179.1	7.7	863.1	345.1	7.9	503.6	6.5
Social Security	structure ratio	100.00	84.37	0.60	14.43	0.62	100.00	39.98	0.92	58.35	0.75
Education	actual amount	306.3	11.6	46.0	0.7	248.0	…	…	…	…	…
	structure ratio	100.00	3.79	15.02	0.23	80.97	…	…	…	…	…
Human Health and Social	actual amount	1 118.2	263.4	581.1	140.6	133.1	…	…	…	…	…
Work Services	structure ratio	100.00	23.56	51.97	12.57	11.90	…	…	…	…	…
Human Health	actual amount	884.3	246.1	468.8	137.9	31.6	705.4	179.9	389.0	31.4	105.1
Services	structure ratio	100.00	27.83	53.01	15.59	3.57	100.00	25.50	55.15	4.45	14.90
Residential	actual amount	147.5	12.0	80.2	2.1	53.2	…	…	…	…	…
Care Services	structure ratio	100.00	8.14	54.37	1.42	36.07	…	…	…	…	…
Other Social	actual amount	86.4	5.3	32.2	0.6	48.4	…	…	…	…	…
Work Services	structure ratio	100.00	6.13	37.27	0.69	56.02	…	…	…	…	…
Arts, Entertainment	actual amount	439.4	23.7	216.7	23.4	175.6	384.5	38.1	244.4	12.5	89.5
and Recreation	structure ratio	100.00	5.39	49.32	5.33	39.96	100.00	9.91	63.56	3.25	23.28
Other Services	actual amount	461.0	69.2	196.6	18.7	176.5	381.4	70.2	193.0	9.0	109.2
	structure ratio	100.00	15.01	42.65	4.06	38.29	100.00	18.41	50.60	2.36	28.63

Note: The item “ tangible fixed assets owned” excludes “ tangible fixed assets leased and lent”.

7. Total value and net value of production

(1) Total value of production

▲Total annul value of production of industry and commerce grew by 48.97% for past five years; Manufacturing contributed to the most nearly 58% of total value of production.

Total value of production of industry and commerce, year-round of 2006 was NT$23 trillion and 934 billion, increasing NT$7 trillion and 867.5 billion or 48.97% for past five years, higher the increased range 17.20% in 2001 census. Among which, industrial sectors grew by 62.28%, increasing NT$ 5 trillion and 949.9 billion for past five years, amounting to 75.63% of total increased amount of all industries as the primary power to bring growth for economy. As for service sectors, it increased NT$1 trillion and 917.6 billion or 29.44% only for past five years because the domestic-demand consumption tended to slow. If we observe from every industry, the Manufacturing increased most by NT$5 trillion and 600.5 billion, and Real Estate grew fastest by nearly one time. Compulsory Social Security, Mining & Quarrying and other services presented negative growth.

As for the distribution ratio of every industry, the top three were still the Manufacturing of NT$13 trillion and 863.1 billion amounting to 57.92%, Wholesale and Retail Trade of NT$ 2 trillion and 550.4 billion amounting to 10.66%, and Finance and Insurance NT$1 trillion and 859.2 billion amounting to 7.77%. If we observe the change trend of distribution ratio for last five years, aside from Manufacturing, Real Estate, and Support Services increasing by 6.49, 0.27 and 0.02 percentage point respectively, all the other industry sections presented decline trend. Particularly, the total value of production for Finance and Insurance grew slowly leading to drastically decline by 1.67 percentage point due to dual-card crisis, severe competition among same trades and bad management of parts of deposit institution. The decline range of Wholesale & Retail Trade, Information and Communication reached 1.00 percentage point up too.

(2) Distribution of total value of production

▲The intermediate consumption of industry and commerce for past five years increased by 2.77 percentage point; net value of production for Support Services increased most by 8.67 percentage point.

Viewing the distribution of total value of production for industry and commerce in 2006, intermediate consumption still was the most by 60.75%. The remained ranking order was net value of production calculated by factor cost amounting to 33.06%, depreciation amounting to 4.79% and indirect tax amounting to 1.39%. If we compare with that of 2001, intermediate consumption increased 2.77 percentage point for past five years due to soaring price of internationally agricultural and industrial materials, leading to declined proportion of remained items, particularly net value of production reduced most by 1.27 percentage point. Depreciation expenses reduced second by 0.81 percentage point, plus due to increasing proportion of oversea production by Manufacturing. The third one was indirect tax by reduction of 0.70 percentage point.

If we observe the change of net value of production for every industry section, the top three were Support Services increasing 8.67 percentage point with more labor compensation due to adjustment of industrial structure, Finance and Insurance increasing 6.68 percentage point due to reduction of various reserves lodgment, and Real Estate increasing 6.33 percentage point due to extensive growth of enterprise compensation. The number four was Construction increasing 4.29 percentage point. Electricity and Gas Supply declined most by 14.85 percentage point. Water Supply and Remediation Services declined second by 9.59 percentage point. Transportation & Storage and Compulsory Social Security declined over 7.00 percentage point.

Table 64 Total year-round value of production for enterprises in all industries, by sector

Unit:NT$Million

By Sector	2006		2001		Change	
	Amount	Distribution (%)	Amount	Distribution (%)	Amount	(%)
Grand Total	**23 934 031**	**100.00**	**16 066 518**	**100.00**	**7 867 513**	**48.97**
Industrial Sectors	**15 502 853**	**64.77**	**9 552 939**	**59.46**	**5 949 914**	**62.28**
Mining and Quarrying	21 018	0.09	22 706	0.14	-1 688	-7.43
Manufacturing	13 863 134	57.92	8 262 639	51.43	5 600 495	67.78
Electricity and Gas Supply	427 172	1.78	338 611	2.11	88 561	26.15
Water Supply and Remediation Services	87 919	0.37	63 855	0.40	24 064	37.69
Construction	1 103 609	4.61	865 129	5.38	238 480	27.57
Service Sectors	**8 431 178**	**35.23**	**6 513 578**	**40.54**	**1 917 600**	**29.44**
Wholesale and Retail Trade	2 550 448	10.66	1 906 690	11.87	643 758	33.76
Transportation and Storage	1 100 692	4.60	817 004	5.09	283 688	34.72
Accommodation and Food Services	379 775	1.59	313 007	1.95	66 768	21.33
Information and Communication	752 823	3.15	690 351	4.30	62 472	9.05
Finance and Insurance	1 859 197	7.77	1 516 120	9.44	343 077	22.63
Real Estate	259 047	1.08	129 652	0.81	129 395	99.80
Prof. Scientific and Technical Services	372 769	1.56	284 177	1.77	88 592	31.17
Support Services	223 737	0.93	146 134	0.91	77 603	53.10
Compulsory Social Security	33 099	0.14	36 672	0.23	-3 573	-9.74
Education	56 608	0.24	…	…	…	…
Human Health and Social Work Services	590 285	2.47	…	…	…	…
Human Health Services	535 819	2.24	437 397	2.72	98 422	22.50
Residential Care Services	24 044	0.10	…	…	…	…
Other Social Work Services	30 421	0.13	…	…	…	…
Arts, Entertainment and Recreation	85 847	0.36	69 450	0.43	16 397	23.61
Other Services	166 852	0.70	166 924	1.04	-72	-0.04

Table 65 Distribution of total value of production for enterprises in all industries, by sector

Unit: %

By Sector	Intermediate consumption		Depreciation		Indirect Taxes		Net Value of Production	
	2006	2001	2006	2001	2006	2001	2006	2001
Grand Total	**60.75**	**57.98**	**4.79**	**5.60**	**1.39**	**2.09**	**33.06**	**34.33**
Industrial Sectors	**70.05**	**67.92**	**5.36**	**6.50**	**1.31**	**2.24**	**23.27**	**23.33**
Mining and Quarrying	61.99	55.34	4.03	5.40	2.43	2.24	31.55	37.02
Manufacturing	70.74	68.79	5.19	6.41	1.40	2.50	22.67	22.30
Electricity and Gas Supply	62.54	46.50	20.33	21.32	0.55	0.75	16.58	31.43
Water Supply and Remediation Services	53.18	42.50	11.96	12.98	0.84	0.91	34.01	43.60
Construction	65.77	70.18	1.24	1.19	0.57	0.51	32.42	28.13
Service Sectors	**43.64**	**43.41**	**3.75**	**4.28**	**1.54**	**1.86**	**51.07**	**50.46**
Wholesale and Retail Trade	33.02	28.58	3.06	2.79	1.59	1.76	62.33	66.88
Transportation and Storage	66.37	57.05	6.40	7.81	0.77	1.25	26.46	33.89
Accommodation and Food Services	50.33	52.99	2.47	2.36	0.95	1.76	46.25	42.90
Information and Communication	50.82	50.47	9.14	10.56	1.28	1.35	38.76	37.62
Finance and Insurance	43.10	49.03	1.91	2.12	2.37	2.91	52.62	45.94
Real Estate	38.03	41.50	2.76	4.98	3.41	4.05	55.80	49.47
Prof. Scientific and Technical Services	51.49	53.39	1.24	2.36	1.03	0.96	46.24	43.29
Support Services	33.42	41.08	4.44	5.34	1.45	1.56	60.68	52.01
Compulsory Social Security	21.66	14.70	0.96	0.80	0.00	0.04	77.38	84.46
Education	25.14	…	1.36	…	0.80	…	72.70	…
Human Health and Social Work Services	40.62	…	4.28	…	0.57	…	54.54	…
Human Health Services	41.34	43.44	4.52	4.32	0.55	0.80	53.60	51.43
Residential Care Services	40.45	…	2.63	…	0.67	…	56.25	…
Other Social Work Services	28.16	…	1.28	…	0.85	…	69.70	…
Arts, Entertainment and Recreation	41.83	37.06	4.15	6.34	2.00	2.52	52.03	54.09
Other Services	41.79	43.13	1.48	2.74	1.26	1.60	55.47	52.52

(3) Distribution of net value of production

▲In the distribution of net value of production for industry and commerce in 2006, labor compensation was the most by 1.62% and enterprise rewards increased most by 12.81 percentage point.

In the distribution of net value of production for industry and commerce in 2006, labor compensation still the most by 51.62% and the second was enterprise rewards by 42.82%. The net amounts of rental and interest expenditures were lower amounting to 3.40% and 2.16% respectively. Comparing to 2001, the proportion of enterprise rewards increased 12.81 percentage point due to recovery of economy and cost reduction and profit incase because enterprise employed global resources. The proportion of labor compensation declined 9.17 percentage point for past five years due to the impact of low-wage labor of new emerging countries. The net amount of interest expenditures declined 2.63 percentage point due to multiple financing channels for enterprise and declined financing interest rate. The net amount of rental expenditures slightly declined 1.01 percentage point. Viewing in terms of sector, the proportion of enterprise rewards in industrial sectors increased 20.53 percentage point, far higher than the increase of 7.01 percentage point in service sectors; its labor compensation declined 15.03 percentage point, being more drastic than the decline of 4.88 percentage point in service sectors.

Table 66 The distribution of net value of production (by factor cost) for enterprises in all industries, by sector

Unit: %

By Sector	Labor compensation		Net value of rents		Net value of interests		Enterprise rewards	
	2006	2001	2006	2001	2006	2001	2006	2001
Overall Average	**51.62**	**60.79**	**3.40**	**4.41**	**2.16**	**4.79**	**42.82**	**30.01**
Industrial Sectors	**49.63**	**64.66**	**1.12**	**1.70**	**2.92**	**7.84**	**46.34**	**25.81**
Mining and Quarrying	52.68	61.55	1.67	1.56	0.72	1.56	44.92	35.33
Manufacturing	47.58	63.81	1.14	1.80	2.75	7.89	48.54	26.49
Electricity and Gas Supply	54.70	37.58	0.18	0.17	18.42	18.73	26.70	43.52
Water Supply and Remediation Services	65.71	65.09	2.97	3.22	3.70	10.24	27.62	21.44
Construction	65.23	82.95	0.96	1.44	1.31	2.58	32.51	13.03
Service Sectors	**53.29**	**58.17**	**5.32**	**6.24**	**1.52**	**2.73**	**39.87**	**32.86**
Wholesale and Retail Trade	51.02	57.29	7.33	7.39	2.15	3.13	39.50	32.19
Transportation and Storage	72.52	73.26	4.31	5.73	3.85	7.76	19.33	13.25
Accommodation and Food Services	67.03	64.35	6.85	11.63	1.43	5.06	24.69	18.96
Information and Communication	48.01	52.37	5.12	4.70	1.06	2.57	45.82	40.36
Finance and Insurance	38.00	47.38	2.74	3.50	0.23	-0.21	59.03	49.33
Real Estate	32.20	50.27	5.44	6.90	8.81	24.50	53.55	18.32
Prof. Scientific and Technical Services	66.55	67.64	5.93	8.65	0.63	0.88	26.89	22.83
Support Services	75.38	73.94	3.51	7.20	1.38	2.44	19.73	16.43
Compulsory Social Security	21.06	14.77	2.53	1.81	-22.02	-15.20	98.44	98.62
Education	65.59	…	12.79	…	0.04	…	21.58	…
Human Health and Social Work Services	80.79	…	1.90	…	0.24	…	17.07	…
Human Health Services	80.66	76.77	1.50	4.10	0.23	0.40	17.61	18.72
Residential Care Services	88.03	…	4.38	…	0.47	…	7.11	…
Other Social Work Services	77.97	…	5.60	…	0.28	…	16.14	…
Arts, Entertainment and Recreation	63.78	59.79	13.38	15.90	2.32	3.47	20.52	20.84
Other Services	62.55	62.55	5.84	7.43	0.33	0.26	31.27	29.77

Note: Enterprise rewards includes profits, transfer expenditures to government (or private organization), bad debt loss and other non-operating expenditures etc.

8. Characteristics and efficiency of enterprise operation

(1) Features of enterprise management

1. Status of operation digitalization

▲Nearly 40% enterprises of industry and commerce implemented internal management

computerization and nearly 200,000 enterprises made use of E-commerce.

In 2006, there were up to 494,040 enterprises or amounting to 44.71% in all industries using computer equipment, and 440,064 enterprises or amounting to 39.82% implementing internal management computerization. Moreover, there were 196,350 enterprises or amounting to 17.77% making use of E-commerce (referring to the enterprise engaged in one of the businesses as “providing business information through Internet”, “on-line purchase” or “on-line sale”). If we observe from every industry, there were over 80% enterprises in Compulsory Social Security, Electricity and Gas Supply, Human Health and Social Work Services, Information and Communication implementing internal management computerization. As for the proportion of conducting E-commerce to the industry, aside from 100% by Compulsory Social Security 100%, the remained orders as 65.60% by Information and Communication, 38.92% by Real Estate, and 37.79% by Professional Scientific and Technical Services, all belong to service sectors. In industrial sectors, only Electricity and Gas Supply exceeded 30%.

▲The on-line purchase amount and on-line sale amount of industry and commerce, year-round of 2006 was NT$587.9 billion and NT$652.2 billion.

Regarding the outline for industry and commerce making use of E-commerce in 2006, there were 184,282 enterprises providing business information through Internet as the most, amounting to 16.68% of all industries, among which there were 46,755 enterprises in industrial sectors, amounting to 20.68% of the sector, higher than 15.64% of service sectors. In every industry, Wholesale and Retail Trade was the most of 76,518 enterprises providing business information through Internet, and the Manufacturing was the second of 35,493 enterprises. If we observe from the proportion of E-commerce to the industry, aside from Compulsory Social Security with 100%, Information and Communication was the most by 62.61%, and Real Estate was the second by 37.63%.

Viewing in terms of electronic transaction by enterprise, there were 41,396 enterprises with on-line purchase in 2006, and purchase amount was NT$587.9 billion, amounting to 11.16% of the business expenditures for enterprises with on-line purchase. There were 36,655 enterprises with on-line sale, and sale amount was NT$652.2 billion, amounting to 9.34% of the operating revenues for enterprises with on-line sale. If we observe in terms of transaction amount, the on-line purchase and sale amount of Manufacturing were NT$396.7 billion and 490.7 billion respectively because mid-, large-scale enterprises actively introduced Enterprise Resource Planning (ERP) System, integrating up- and down-stream supply and marketing system, amounting to 67.48% and 75.23% of transaction in all industries. Wholesale and retail trade was the number two with on-line purchase and sale amount of NT$145.2 billion and 110 billion respectively. If we observe from the proportion of on-line purchase amount to its business expenditures, Support Services was the top one of 27.44% and the number two was Accommodation and Food Services of 21.22%, and third was Wholesale and Retail

Trade of 15.85%. As for the proportion of on-line sale amount to the operating revenues for enterprises with on-line sale, Support Services was the number one of 32.18%, number two was Water Supply and Remediation Services of 23.42%, and number three was Manufacturing of 22.01%.

Table 67 Status of operation digitalization in all industries, by sector

2006 Unit:Enterprise

By Sector	Year-end number of enterprises	Utilization of computer equipment		Computerization of internal management		E-commerce	
		Number of enterprises	Proportion to the industry (%)	Number of enterprises	Proportion to the industry (%)	Number of enterprises	Proportion to the industry (%)
Grand Total (Overall Average)	**1 105 102**	**494 040**	**44.71**	**440 064**	**39.82**	**196 350**	**17.77**
Industrial Sectors	**226 048**	**128 517**	**56.85**	**117 788**	**52.11**	**49 203**	**21.77**
Mining and Quarrying	497	307	61.77	284	57.14	54	10.87
Manufacturing	148 017	91 393	61.74	84 736	57.25	36 882	24.92
Electricity and Gas Supply	166	145	87.35	140	84.34	50	30.12
Water Supply and Remediation Services	4 008	1 991	49.68	1 810	45.16	670	16.72
Construction	73 360	34 681	47.28	30 818	42.01	11 547	15.74
Service Sectors	**879 054**	**365 523**	**41.58**	**322 276**	**36.66**	**147 147**	**16.74**
Wholesale and Retail Trade	490 017	202 637	41.35	180 069	36.75	82 722	16.88
Transportation and Storage	59 364	11 458	19.30	10 489	17.67	4 051	6.82
Accommodation and Food Services	88 739	11 928	13.44	9 213	10.38	6 241	7.03
Information and Communication	11 907	10 953	91.99	9 702	81.48	7 811	65.60
Finance and Insurance	9 955	8 023	80.59	7 398	74.31	3 554	35.70
Real Estate	15 675	12 833	81.87	11 778	75.14	6 100	38.92
Prof. Scientific and Technical Services	40 719	33 675	82.70	28 438	69.84	15 386	37.79
Support Services	21 056	13 154	62.47	11 557	54.89	5 735	27.24
Compulsory Social Security	4	4	100.00	4	100.00	4	100.00
Education	14 428	11 002	76.25	9 514	65.94	4 449	30.84
Human Health and Social Work Services	27 548	23 372	84.84	22 751	82.59	4 009	14.55
Human Health Services	21 538	18 066	83.88	18 018	83.66	1 523	7.07
Residential Care Services	1 477	1 397	94.58	1 279	86.59	702	47.53
Other Social Work Services	4 533	3 909	86.23	3 454	76.20	1 784	39.36
Arts, Entertainment and Recreation	17 919	9 464	52.82	7 376	41.16	2 862	15.97
Other Services	81 723	17 020	20.83	13 987	17.12	4 223	5.17

Note: E-commerce refers to the enterprise conducting one of the businesses as “providing business information through Internet”, “on-line purchase” or “on-line sale”.

Table 68 Outline of E-commerce applied by all industries, by industry

2006 Unit:Enterprise,NT$Million

By Sector	Year-end number of enterprises	Provision of business information through Internet: Number of enterprises	Provision of business information through Internet: Proportion to the industry (%)	On-line purchase: Number of enterprises	On-line purchase: Amount	On-line purchase: Proportion to the operation expenditures (%)	On-line sale: Number of enterprises	On-line sale: Amount	On-line sale: Proportion to the operating revenues (%)
Grand Total (Overall Average)	**1 105 102**	**184 282**	**16.68**	**41 396**	**587 909**	**11.16**	**36 655**	**652 201**	**9.34**
Industrial Sectors	**226 048**	**46 755**	**20.68**	**9 275**	**404 132**	**13.73**	**5 857**	**491 850**	**21.78**
Mining and Quarrying	497	54	10.87	3	1	3.10	-	-	-
Manufacturing	148 017	35 493	23.98	6 028	396 695	14.18	4 726	490 675	22.01
Electricity and Gas Supply	166	47	28.31	4	85	6.92	1	0	0.47
Water Supply and Remediation Services	4 008	633	15.79	139	719	2.49	57	405	23.42
Construction	73 360	10 528	14.35	3 101	6 632	5.75	1 073	769	2.79
Service Sectors	**879 054**	**137 527**	**15.64**	**32 121**	**183 777**	**7.90**	**30 798**	**160 351**	**3.39**
Wholesale and Retail Trade	490 017	76 518	15.62	20 094	145 195	15.85	20 277	110 034	13.06
Transportation and Storage	59 364	3 973	6.69	368	11 172	8.83	396	3 890	1.70
Accommodation and Food Services	88 739	5 985	6.74	688	5 492	21.22	1 509	3 580	8.86
Information and Communication	11 907	7 455	62.61	2 386	7 495	3.99	2 282	14 654	10.86
Finance and Insurance	9 955	3 452	34.68	441	1 224	0.31	674	10 634	0.32
Real Estate	15 675	5 899	37.63	877	135	0.54	1 535	2 824	9.85
Prof. Scientific and Technical Services	40 719	14 716	36.14	3 080	3 302	8.48	1 657	3 271	14.83
Support Services	21 056	5 440	25.84	1 051	6 652	27.44	1 071	10 486	32.18
Compulsory Social Security	4	4	100.00	3	85	0.02	-	-	-
Education	14 428	4 232	29.33	773	147	2.37	394	176	2.83
Human Health and Social Work Services	27 548	3 280	11.91	1 152	2 255	1.95	126	63	4.56
Human Health Services	21 538	894	4.15	717	1 919	1.77	13	1	0.39
Residential Care Services	1 477	682	46.17	113	201	5.28	16	11	4.10
Other Social Work Services	4 533	1 704	37.59	322	134	4.05	97	51	5.66
Arts, Entertainment and Recreation	17 919	2 686	14.99	397	135	2.41	309	235	2.86
Other Services	81 723	3 887	4.76	811	486	10.03	568	505	13.84

Note: “Proportion of on-line purchase amount to operating expenditures” is summaried from the data of with on-line purchases;; “Proportion of on-line sale amount to operating revenues” is summaried from the data of those enterprises with on-line sales.

2. Intangible investment

▲**In 2006, in industry and commerce there were 12,088 enterprise units with R&D, and their R&D expenditures were NT$334.1 billion; R&D expenditures of Manufacturing was the most by 84%.**

In confronting global competition in recent years, domestic enterprises actively invested in R&D for promoting competitiveness in order to upgrade their product and service value. In 2006, in industry and commerce there were 12,088 enterprises with R&D, amounting to 1.09% of all industries enterprise units, and their expenditures amount were in total of NT$334.1 billion, amounting to about 0.76% of all operating revenues. Among which, expense-typed expenditures were NT$297.6 billion, and capital-typed expenditures were only NT$36.5 billion. If we observe in terms of sector, in industrial sectors there were 7,143 enterprise units with R&D, amounting to 3.16% of that sector, higher than 4,945 enterprise units and 0.56% of service sectors. Its R&D expenditure amounts were NT$285.4 billion, amounting to 1.31% of operating revenues of that sector, higher than NT$48.7 billion and 0.22% of service sectors, expressing that industrial sectors investing to R&D was more popular.

If we observe from every industry, there were 6,819 enterprises with R&D in Manufacturing, amounting to 56% of all industries, being the number one. The number two was Human Health and Social Work Services of 2,184 enterprises, amounting to 7.93% of the industry, just less than that of Compulsory Social Security and Electricity and Gas Supply. The number three was Wholesale and Retail Trade of 1,714 enterprises, however, amounting to 0.35% of that industry with lower proportion. As for Accommodation and Food Services and other services of 79 and 30 enterprises respectively only since they most belong to basic livelihood demand industries and the scale of enterprise was smaller generally, and its proportion to that industry did not reach to 0.10%. In addition, viewing in terms of R&D expenditure amounts, still Manufacturing with year-round expenditures amount NT$282.2 billion, amounting to 84% of all industries, was the most. Information and Communication with NT$20.2 billion, amounting to 6.04% of all industries was the number two, and its proportion of R&D expenditures to the operating revenues of the industry was 2.68%, being the most of that among all industries.

▲**In 2006, the employee training expenditures, marketing expenditures and, computer software and database purchase expenditures of industry and commerce were NT$30.4 billion, NT$413.7 billion and NT$48.8 billion respectively; various intangible investment expenditures in Manufacturing was the most.**

In 2006, employee training expenditures of NT$30.4 billion, marketing expenditures of NT$413.7 billion, and computer software and database purchase expenditures of NT$48.8 billion for industry and commerce were amounting to 0.07%, 0.94% and 0.11% of operating revenues respectively. Among which, the marketing expenditures of industrial sectors was NT$237.2 billion, higher than NT$176.5 billion of service sectors. As for employee training expenditures of NT$16.6 billion, and computer software and database purchase expenditures of NT$29.2 billion in service sectors were more than other expenditures.

If we observe in terms of industry section, employee training expenditures of NT$12.6 billion, marketing expenditures of NT$226.2 billion and computer software and database purchase expenditures of NT$18.7 billion for the Manufacturing were amounting to 41%, 55% and 38% respectively of all industries, each was the top among that of all industries. The employee training expenditures NT$5.3 billion of Human Health and Social Work Services, marketing expenditures NT$84.3 billion of Wholesale and Retail Trade, and computer software and database purchase expenditures NT$14.2 billion of Finance and Insurance were ranked number two respectively. In addition, the proportion of marketing expenditures to operating revenues of Information and Communication was 4.18% ranked the top one among all industries.

Table 69 Status of R&D Expenditures of Enterprise Units of All Industries, by Sector

2006

By sector	Year-end number of enterprises ① (Number)	With activities of R&D					
		Number of enterprises		Amount of R&D expenditures (NT$Million)			
		② (Number)	②/①*100 (%)	Total	Expense	Capital	Prop. of R&D to operating revenues (%)
Grand Total (Overall Average)	**1 105 102**	**12 088**	**1.09**	**334 100**	**297 575**	**36 525**	**0.76**
Industrial Sector	**226 048**	**7 143**	**3.16**	**285 426**	**261 452**	**23 973**	**1.31**
Mining and Quarrying	497	8	1.61	1	1	-	0.00
Manufacturing	148 017	6 819	4.61	282 219	258 704	23 515	1.43
Electricity and Gas Supply	166	15	9.04	2 478	2 148	331	0.48
Water Supply and Remediation Services	4 008	31	0.77	191	175	16	0.22
Construction	73 360	270	0.37	536	424	112	0.04
Service Sector	**879 054**	**4 945**	**0.56**	**48 674**	**36 123**	**12 552**	**0.22**
Wholesale and Retail Trade	490 017	1 714	0.35	14 932	13 810	1 122	0.13
Transportation and Storage	59 364	72	0.12	657	336	321	0.06
Accommodation and Food Services	88 739	79	0.09	134	110	24	0.03
Information and Communication	11 907	329	2.76	20 194	9 946	10 248	2.68
Finance and Insurance	9 955	114	1.15	1 800	1 644	156	0.03
Real Estate	15 675	101	0.64	497	416	81	0.08
Prof. Scientific and Technical Services	40 719	207	0.51	3 872	3 638	234	1.04
Support Services	21 056	52	0.25	310	277	32	0.13
Compulsory Social Security	4	3	75.00	22	22	-	0.00
Education	14 428	35	0.24	140	74	67	0.25
Human Health and Social Work Services	27 548	2 184	7.93	5 946	5 710	236	1.05
Human Health Services	21 538	1 960	9.10	5 860	5 640	220	1.12
Residential Care Services	1 477	158	10.70	68	54	15	0.44
Other Social Work Services	4 533	66	1.46	18	17	1	0.06
Arts, Entertainment and Recreation	17 919	25	0.14	26	14	12	0.03
Other Services	81 723	30	0.04	144	124	19	0.08

Note：Expense-typed expenditures include those for outsourced R&D's and the depreciation of R&D equipments；capital-typed expenditures include tangible and intangible assets used for R&D activities.

Table 70 Outline of expenditures for employee training, marketing, computer software and database purchase in all industries, by sector

2006 Unit：NT$Million

By Sector	Employee training expenditures			Marketing expenditures			Expenditures on the purchase of computer software and database		
	Expense	Capital	Proportion on the operating revenues (%)	Expense	Capital	Proportion on the operating revenues (%)	Expense	Capital	Proportion on the operating revenues (%)
Grand Total (Overall Average)	**28 619**	**1 785**	**0.07**	**407 155**	**6 545**	**0.94**	**22 794**	**25 994**	**0.11**
Industrial Sectors	**13 073**	**695**	**0.06**	**233 183**	**4 041**	**1.09**	**8 852**	**10 777**	**0.09**
Mining and Quarrying	7	-	0.03	13	-	0.06	35	-	0.16
Manufacturing	12 085	518	0.06	223 886	2 362	1.15	8 341	10 375	0.09
Electricity and Gas Supply	694	85	0.15	6 617	1 634	1.60	156	178	0.06
Water Supply and Remediation Services	72	2	0.08	960	26	1.12	33	50	0.09
Construction	216	89	0.02	1 707	19	0.12	287	174	0.03
Service Sectors	**15 545**	**1 091**	**0.07**	**173 972**	**2 505**	**0.80**	**13 942**	**15 217**	**0.13**
Wholesale and Retail Trade	3 591	590	0.04	83 624	694	0.73	4 140	1 802	0.05
Transportation and Storage	1 266	29	0.12	3 986	153	0.38	1 126	598	0.16
Accommodation and Food Services	721	9	0.19	2 830	84	0.76	186	134	0.08
Information and Communication	1 294	36	0.18	31 167	327	4.18	1 102	1 656	0.37
Finance and Insurance	2 170	195	0.04	32 350	206	0.57	4 975	9 244	0.25
Real Estate	148	7	0.03	7 859	539	1.43	347	376	0.12
Prof. Scientific and Technical Services	743	38	0.21	2 996	287	0.88	757	387	0.31
Support Services	146	9	0.07	2 031	124	0.93	213	108	0.14
Compulsory Social Security	20	-	0.00	2 840	-	0.40	16	68	0.01
Education	102	15	0.21	412	5	0.73	46	31	0.14
Human Health and Social Work Services	5 178	139	0.94	1 860	62	0.34	893	691	0.28
Human Health Services	5 024	115	0.98	1 712	52	0.34	750	608	0.26
Residential Care Services	85	15	0.64	25	2	0.17	48	23	0.45
Other Social Work Services	69	8	0.26	123	8	0.44	95	61	0.52
Arts, Entertainment and Recreation	66	4	0.08	1 110	13	1.29	60	108	0.19
Other Services	100	18	0.07	909	11	0.53	79	15	0.05

Note：Expenditures for employee training, marketing and computer software/database purchasing are 3 mutually non-excluded portions of intangible investment.

3. Status of transaction of professional technology

▲The purchase amount and sale amount of professional technology for industry and commerce was NT$93.7 billion and NT$37.2 billion respectively.

In 2006, the purchase amount of professional technology for industry and commerce was NT$93.7 billion, amounting to 0.21% of total operating revenues, among which the amount of professional technology purchased domestically and overseas were about NT$22.3 billion and about NT$71.4 billion respectively. The sale amount of professional technology was NT$37.2 billion amounting to 0.08% of total operating revenues, among which domestic sale was about NT$24.2 billion and oversea sale was about NT$13.1 billion. It shows that the demand was still more than supply of professional technology for domestic enterprises, particularly, it was more eager for the demand for foreign professional technology.

If we observe in terms of sector, the purchase amount of professional technology for industrial sectors was NT$80.8 billion, among which oversea purchase amount was about NT$65.4 billion. Among which, Manufacturing with N$64.5 billion was the most, showing that the key technology of Manufacturing was deeply relied overseas, and it was under a more disadvantage position in confronting global competition. As for service sectors, the purchase amount of professional technology was about NT$12.9 billion, among which NT$6.9 billion was used for domestic purchase, higher than NT$6 billion for oversea purchase. Among every industry section, Wholesale and Retail Trade with NT$7.1 billion was the most, Information and Communication with NT$2.2 billion was the second, and the third was Prof. Scientific and Technical Services with NT$1.4 billion.

Furthermore, let us observe in terms of professional technology, the sale amount NT$21.7 billion of professional technology in service sectors was the most, with domestic sale market primarily of amount NT$18.7 billion and only about NT$3 billion for oversea sale market. In addition, in the sector, the sale amount NT$10.5 billion of professional technology for Prof. Scientific and Technical Services was the most among all industry sections. Moreover, with the emerging of franchise and chair system, sale amount of professional technology for Wholesale and Retail Trade was NT$7.1billion. As for industrial sectors, its sale amount of professional technology was NT$15.6 billion, among which for oversea sale was NT$10.1 billion more than NT$5.5 billion of domestic sale and the primary was Manufacturing.

4. Status of labor dispatching operation

▲In 2006, there were 1,411 enterprises of industry and commerce operating labor dispatching business and average number of persons dispatched every month nearly 127,000.

In 2006, there were 1,411 enterprises with labor dispatch business, and average number of dispatched persons every month reached 126,898. The year-round revenues of dispatch service was NT$34.6 billion, amounting to 0.08% of all revenues. Among which there were 965 enterprises of Support Services was the number one due to its industrial scope including workforce dispatch industry with 105,638 dispatched persons every month as the most and its year-round revenues of dispatch service was NT$30.7 billion as the primary enterprise operating labor dispatch business. As for other industries, since their labor dispatch business was still in development period that every industry due to the derivation of existed business or circumambulating involvement that the dispatch business was scattered in every industry. Among which, there were 89 enterprises concurrently operating labor dispatch business in Prof. Scientific and Technical Services as the most, and the second was Information and Communication with 85 enterprises, and the next was Real Estate and Wholesale and Retail Trade with 68 and 67 enterprises respectively. Obviously, under flexible management and multiple employment types, workforce dispatch industry is tending growth.

Table 71 Outline of professional technology transaction in all industries, by sector

2006 Unit：NT$Million

By Sector	Purchase amount for professional technology				Sale amount of professional technology			
	Total		Domestically	Overseas	Total		Domestically	Overseas
		Proportion to the operating revenues （%）				Proportion to the operating revenues （%）		
Grand Total (Overall Average)	**93 701**	**0.21**	**22 319**	**71 383**	**37 227**	**0.08**	**24 167**	**13 060**
Industrial Sectors	**80 755**	**0.37**	**15 372**	**65 382**	**15 567**	**0.07**	**5 460**	**10 106**
Mining and Quarrying	38	0.17	-	38	-	-	-	-
Manufacturing	79 606	0.40	15 088	64 518	15 155	0.08	5 061	10 094
Electricity and Gas Supply	146	0.03	0	146	9	0.00	9	-
Water Supply and Remediation Services	22	0.02	4	18	-	-	-	-
Construction	943	0.06	281	662	403	0.03	390	13
Service Sectors	**12 947**	**0.06**	**6 946**	**6 000**	**21 661**	**0.10**	**18 707**	**2 954**
Wholesale and Retail Trade	7 089	0.06	3 830	3 259	7 118	0.06	5 504	1 615
Transportation and Storage	1 019	0.09	790	229	137	0.01	137	-
Accommodation and Food Services	64	0.02	34	30	0	0.00	0	0
Information and Communication	2 179	0.29	930	1 249	3 637	0.48	2 949	688
Finance and Insurance	818	0.01	213	605	94	0.00	89	5
Real Estate	-	-	-	-	-	-	-	-
Prof. Scientific and Technical Services	1 384	0.37	797	587	10 469	2.80	9 823	646
Support Services	14	0.01	2	12	0	0.00	0	0
Compulsory Social Security	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Human Health and Social Work Services	338	0.06	312	26	201	0.04	201	0
Human Health Services	337	0.06	311	26	201	0.04	201	0
Residential Care Services	1	0.01	1	-	0	0.00	0	-
Other Social Work Services	0	0.00	0	-	-	-	-	-
Arts, Entertainment and Recreation	9	0.01	9	0	-	-	-	-
Other Services	32	0.02	29	3	3	0.00	3	-

Table 72 Status of labor dispatching operated by all industries, by sector

2006

By Sector	Year-end number of enterprises ① (Number)	With business of labor dispatching				
		Number of enterprises		Average number of labors dispatching per month	Year-round service revenues of labor dispatching	
		② (Number)	②/①*100 (%)	(Person)	(NT$Million)	Prop. to total revenues (%)
Grand Total (Overall Average)	**1 105 102**	**1 411**	**0.13**	**126 898**	**34 649**	**0.08**
Industrial Sectors	**226 048**	**96**	**0.04**	**3 477**	**845**	**0.00**
Mining and Quarrying	497	-	-	-	-	-
Manufacturing	148 017	41	0.03	838	305	0.00
Electricity and Gas Supply	166	-	-	-	-	-
Water Supply and Remediation Services	4 008	10	0.25	415	154	0.17
Construction	73 360	45	0.06	2 224	386	0.03
Service Sectors	**879 054**	**1 315**	**0.15**	**123 421**	**33 803**	**0.15**
Wholesale and Retail Trade	490 017	67	0.01	1 348	115	0.00
Transportation and Storage	59 364	25	0.04	993	293	0.03
Accommodation and Food Services	88 739	-	-	-	-	-
Information and Communication	11 907	85	0.71	3 380	430	0.05
Finance and Insurance	9 955	4	0.04	529	49	0.00
Real Estate	15 675	68	0.43	4 380	876	0.14
Prof. Scientific and Technical Services	40 719	89	0.22	6 862	1 273	0.33
Support Services	21 056	965	4.58	105 638	30 702	12.87
Compulsory Social Security	4	-	-	-	-	-
Education	14 428	2	0.01	33	7	0.01
Human Health and Social Work Services	27 548	7	0.03	144	39	0.01
Human Health Services	21 538	5	0.02	114	37	0.01
Residential Care Services	1 477	1	0.07	7	1	0.00
Other Social Work Services	4 533	1	0.02	23	1	0.00
Arts, Entertainment and Recreation	17 919	-	-	-	-	-
Other Services	81 723	3	0.00	114	20	0.01

(2) Efficiency of enterprise operation

▲For past five years, the labor productivity of industry and commerce raised by 31.48%, unit output labor costs lowered by 18.22%. Enterprise competitiveness promoted obviously.

In 2006, total value of production per person engaged in industry and commerce was NT$3,170,000, growing 31.48% comparing to the same in 2001, and averagely increased 5.63% every year. In the same period, the year-round labor compensation per person engaged increased 1.46% every year. Because the increasing scope of labor productivity was far more than the increase rate of the year-round labor compensation per person engaged, so that averagely every unit output labor cost reduced by 18.22%, and industrial competitiveness promoted obviously. If we observe in terms of every industry section, the total value of production per person engaged of Mining and Quarrying, Manufacturing and Real Estate grew 56.03%, 51.01% and 50.02% respectively, and labor compensation per dollar of total value of production declined 27.04%, 24.21% and 27.74% respectively that the utilizing effect of manpower resource improved relatively. As for Compulsory Social Security, because negative growth of total value of production, and Support Services, because industrial development depending on large number of manpower input, the total value of production per person engaged declined 19.41% and 24.09% respectively, labor compensation per dollar of total value of production increased 30.64% and 18.94% respectively.

▲For past five years the capital productivity of industry and commerce promoted by 7.31%.

Viewing the capital productivity of total value of production per dollar of assets used in operation in all industries, the capital productivity of industry and commerce in 2006 was NT$0.22, increasing 7.31% than that in 2001, among which industrial sectors was NT$0.60 and grew by 21.98% for past five years. As for the service sectors was NT$0.10, reducing 8.06% than that in 2001. If we observe in terms of industry section, in industrial sectors, the capital productivity of Mining and Quarrying grew most by 62.18% due to extensive reduction of assets used in operation. The next was the Manufacturing growing by 22.91% for past five years due to recovery of the economy, increase of productivity and expression of investment effect. As for service sectors, except that Real Estate grew nearly one time and Wholesale and Retail Trade grew by 31.23% as more outstanding, the remained was not excellent generally. Particularly, Compulsory Social Security severely declined 37.26%.

Finance and Insurance as the next due to the impact of overflowed funds and lowering loan interests, with other service declined over 17.00%.

▲ In 2006, the added-value rate of industry and commerce was 39.25%, and declined 2.77 percentage point for past five years.

If we take the balance of total value of production by deduction of intermediate consumption as added-value (gross production amount), and use its proportion to total value of production to measure the operation efficiency of enterprises for industry and commerce, the added-value rate of all industries in 2006 was 39.25%. It was lower 2.77 percentage point than that in 2001 primary due to the increase of intermediate input and slowing down of domestic-demand consumption. Among which, the added-value rate of industrial sectors declined 29.95% due to more proportions of investment cost of materials, and was lower than 56.36% of service sectors. It declining 2.13 percentage point was higher than 0.23 percentage point declined of service sectors for past five years.

If we observe from the change status of added-value rate for every industry for past five years, the workforce costs of Support Services extensively grew due to adjustment of industrial structure, and the proportion of intermediate consumption declined, so its added-value rate grew most by 7.66 percentage point. In Finance and Insurance, the added-value rate of main industry increased 5.93 percentage point as the second because central bank, investment and securities corporations favored by recovery of economy, prosperous transaction of stock market and extensive growth of investment incomes, although banking industry was influenced by dual-card bad debt. Construction increased 4.41 percentage point as the third also due to recovery of economy and growth of profiting. As for the added-value rate of Electricity and Gas Supply, Water Supply and Remediation Services, as well as Transportation and Storage severely declined 16.04 percentage point, 10.68 percentage point and 9.32 percentage point respectively because of deeply impact of soaring price of materials.

If we observe the added-value rate of every industry, in industrial sectors, Water Supply and Remediation Services was 46.82% as the most and Manufacturing with 29.26% was the least. As for the service sectors, Compulsory Social Security was the top by 78.34%, the second was Education by 74.86% and the lowest was Transportation and Storage by 33.63%.

Table 73 Labor productivity and unit output labor costs of all industries, by sector

By Sector	Total value of production per person engaged（NT$1,000）			Labor compensation per dollar of total value of production（NT$）		
	2006	2001	Change(%)	2006	2001	Change(%)
Overall Average	**3 170**	**2 411**	**31.48**	**0.17**	**0.21**	**-18.22**
Industrial Sectors	**4 784**	**3 241**	**47.61**	**0.12**	**0.15**	**-23.43**
Mining and Quarrying	4 230	2 711	56.03	0.17	0.23	-27.04
Manufacturing	5 142	3 405	51.01	0.11	0.14	-24.21
Electricity and Gas Supply	13 288	10 484	26.75	0.09	0.12	-23.21
Water Supply and Remediation Services	3 162	2 532	24.88	0.22	0.28	-21.24
Construction	2 302	1 902	21.03	0.21	0.23	-9.35
Service Sectors	**1 956**	**1 753**	**11.58**	**0.27**	**0.29**	**-7.29**
Wholesale and Retail Trade	1 349	1 062	27.02	0.32	0.38	-16.99
Transportation and Storage	3 053	2 243	36.11	0.19	0.25	-22.71
Accommodation and Food Services	1 173	1 238	-5.25	0.31	0.28	12.31
Information and Communication	4 197	4 214	-0.40	0.19	0.20	-5.54
Finance and Insurance	4 936	4 091	20.66	0.20	0.22	-8.15
Real Estate	3 086	2 057	50.02	0.18	0.25	-27.74
Prof. Scientific and Technical Services	2 078	1 978	5.06	0.31	0.29	5.10
Support Services	851	1 121	-24.09	0.46	0.38	18.94
Compulsory Social Security	7 205	8 940	-19.41	0.16	0.12	30.64
Education	699	…	…	0.48	…	…
Human Health and Social Work Services	1 687	…	…	0.44	…	…
Human Health Services	1 934	1 988	-2.72	0.43	0.39	9.48
Residential Care Services	840	…	…	0.50	…	…
Other Social Work Services	687	…	…	0.54	…	…
Arts, Entertainment and Recreation	1 251	1 168	7.11	0.33	0.32	2.62
Other Services	1 119	1 129	-0.89	0.35	0.33	5.63

Note：The change rates of average labor compensation per dollar of total value of production in this table are calculated by the 5-digits-after-decimal-point values brtween 2 census years.

Table 74 Capital productivity and profiting status of enterprises in all industries, by sector

By Sector	Total value of production per dollar of assets used in operation（NT$）			Value added rate（%）		
	2006	2001	Change（%）	2006	2001	Change（%）
Overall Average	**0.22**	**0.21**	**7.31**	**39.25**	**42.02**	**-2.77**
Industrial Sectors	**0.60**	**0.49**	**21.98**	**29.95**	**32.08**	**-2.13**
Mining and Quarrying	0.96	0.59	62.18	38.01	44.66	-6.65
Manufacturing	0.63	0.51	22.91	29.26	31.21	-1.95
Electricity and Gas Supply	0.25	0.24	4.34	37.46	53.50	-16.04
Water Supply and Remediation Services	0.20	0.17	14.17	46.82	57.50	-10.68
Construction	0.61	0.54	12.71	34.23	29.82	4.41
Service Sectors	**0.10**	**0.11**	**-8.06**	**56.36**	**56.59**	**-0.23**
Wholesale and Retail Trade	0.33	0.25	31.23	66.98	71.42	-4.44
Transportation and Storage	0.25	0.29	-13.22	33.63	42.95	-9.32
Accommodation and Food Services	0.46	0.42	8.66	49.67	47.01	2.66
Information and Communication	0.45	0.43	4.53	49.18	49.53	-0.35
Finance and Insurance	0.03	0.04	-18.64	56.90	50.97	5.93
Real Estate	0.12	0.06	95.66	61.97	58.50	3.47
Prof. Scientific and Technical Services	0.68	0.67	0.97	48.51	46.61	1.90
Support Services	0.55	0.56	-1.50	66.58	58.92	7.66
Compulsory Social Security	0.03	0.04	-37.26	78.34	85.30	-6.96
Education	0.18	…	…	74.86	…	…
Human Health and Social Work Services	0.53	…	…	59.38	…	…
Human Health Services	0.61	0.62	-2.29	58.66	56.56	2.10
Residential Care Services	0.16	…	…	59.55	…	…
Other Social Work Services	0.35	…	…	71.84	…	…
Arts, Entertainment and Recreation	0.20	0.18	8.16	58.17	62.94	-4.77
Other Services	0.36	0.44	-17.30	58.21	56.87	1.34

Note：The change rates of capital productivity in this table are calculate by the 5-digits-after-decimal-point value betweeen 2 census years.

9. Area of land and building floors used

(1) Area of land used

▲By the end of 2006, total areas of land used industry and commerce reached 70,669 hectares and grew by 6.88% for past five years.

By the end of 2006, total areas of land used in establishments of industry and commerce were 70,669 hectares, more 4,548 hectares or 6.88% than that by the end of 2001. Viewing in terms of the distribution ratio of every industry, Manufacturing was the most one with 26,253 hectares amounting to 37.15% because numerous establishments, broad space for plant and production equipment. Transportation and Storage shared 15.21% as second. Arts, Entertainment and Recreation shared 12.17% as the third due to extensive scope of amusement park.

If we observe from the change status of last five years, service sectors grew by 24.34% and industrial sectors reduced 3.61%. In every industry, Professional Scientific and Technical Services grew most by 117.24% because it included in "Corporate managing units" and speedy development of the industry. Real estate grew by 78.47% as the second. Construction grew by 66.82% as the third. As for Mining and Quarrying, its area of land used extensively reduced 94.07% because Statute of Salt Administration was abolished and salt product was approved to import freely so that salt pan closed and the shrunk industry.

▲By the end of 2006, the average area of land used by every establishment of industry and commerce was 610 square meters and reduced by 71 square meters for past five years.

By the end of 2006, the area of land used by every establishment of industry and commerce was 610 square meters, less 71 square meters or 10.43% than that by the end of 2001. Among which, in industrial sectors, Electricity and Gas Supply with 115,663 square meters, averagely the land used by every establishment was the most. Water Supply and Remediation Services with 12,273 square meters of land used was the second. Construction with 254 square meters of land was the least. In the service sectors, the Arts, Entertainment & Recreation with 4,740 square meters of land used was the most. Transportation and Storage with 1,710 square meters of land used was the second and Prof. Scientific and Technical Services with 57 square meters of land used was the least.

If we observe from the change trend of last five years, in every industry, Prof. Scientific and Technical Services increased 46.15% as the top one. Other services increased 30.33% as the second and Construction grew by 26.37% as the third. As for Mining and Quarrying, it reduced most by over 90%. Information and Communication reduced by 25.56% as the second.

(2) Area of building floors used

▲By the end of 2006, total areas of building floors used in industry and commerce 33,949 hectares and grew by 16.81% for past five years.

By the end of 2006, total areas of building floors used by establishments of all industries were 33,949 hectares. It increased 4,887 hectares or 16.81% for past five years, with higher increased numbers and growth rate than the area of land used because of extensive reduction of areas of land used by Mining and Quarrying, and slower reduction of areas of building floors used. If we observe from the growing speed of every industry, Compulsory Social Security grew most by 80.68% because Bureau of Labor Insurance and Bureau of National Health Insurance expended their business scales. Professional Scientific and Technical Services grew as the second one nearly by 64%. Real Estate and Support Services increased 50.08% and 42.76% respectively as the third and the fourth. In addition, Wholesale and Retail Trade increased 1,164 hectares as the most due to the growth of establishments. As for the distribution ratio of every industry, the top three were Manufacturing amounting to 43.68%, Wholesale and Retail Trade amounting to 19.81%, and Human Health and Social Work Services amounting to 7.52% respectively.

Table 75 The area of land used in establishments of all industries, by sector

By Sector	Area of land used (1000 ㎡)			Average area of land used per establishment unit (㎡)		
	End of 2006	End of 2001	Change (%)	End of 2006	End of 2001	Change (%)
Grand Total (Overall Average)	**706 691**	**661 215**	**6.88**	**610**	**681**	**-10.43**
Industrial Sectors	**398 152**	**413 064**	**-3.61**	**1 714**	**1 981**	**-13.48**
Mining and Quarrying	2 984	50 296	-94.07	5 727	60 091	-90.47
Manufacturing	262 531	248 600	5.60	1 714	1 678	2.15
Electricity and Gas Supply	62 111	59 956	3.59	115 663	120 393	-3.93
Water Supply and Remediation Services	51 780	42 975	20.49	12 273	13 384	-8.30
Construction	18 746	11 237	66.82	254	201	26.37
Service Sectors	**308 539**	**248 151**	**24.34**	**333**	**325**	**2.46**
Wholesale and Retail Trade	49 616	39 597	25.30	97	88	10.23
Transportation and Storage	107 484	95 090	13.03	1 710	1 443	18.50
Accommodation and Food Services	14 721	9 370	57.11	161	147	9.52
Information and Communication	8 070	7 724	4.48	626	841	-25.56
Finance and Insurance	3 572	3 492	2.29	171	228	-25.00
Real Estate	2 470	1 384	78.47	152	153	-0.65
Prof. Scientific and Technical Services	2 483	1 143	117.24	57	39	46.15
Support Services	1 596	1 103	44.70	72	61	18.03
Compulsory Social Security	28	30	-6.67	822	919	-10.55
Education	1 857	…	…	125	…	…
Human Health and Social Work Services	17 503	…	…	612	…	…
Human Health Services	8 556	8 000	6.95	397	406	-2.22
Residential Care Services	5 825	…	…	3 904	…	…
Other Social Work Services	3 122	…	…	560	…	…
Arts, Entertainment and Recreation	86 019	72 674	18.36	4 740	6 342	-25.26
Other Services	13 118	8 542	53.57	159	122	30.33

▲By the end of 2006, average area of building floors used per person engaged of industry and commerce was 45 square meters.

If we observe from the average area of building floors used per person engaged, by the end of 2006, averagely per person engaged used 45 square meters, which was more 1 square meters than that in the end of 2001. Among which averagely industrial sectors used 52 square meters, which was same with that in the end of 2001. Averagely service sectors used 40 square meters and increased 3 square meters for past five years. If we observe from the industry section, aside from Support Services due to change of industrial type and extensive growth of persons engaged, it reduced by 33.33%. Arts, Entertainment and Recreation and Manufacturing reduced by 10.53% and 3.45%, the remained industries increased comparing to the end of 2001, particularly, Compulsory Social Security increased most by 66.67% and Water Supply and Remediation Services increased 22.22% as the second.

Table 76 Area of building floors used by establishments of all industries, by industry

By Sector	Area of building floors used (1000 ㎡)			Average area of building floors used per person engaged (㎡)		
	End of 2006	End of 2001	Change (%)	End of 2006	End of 2001	Change (%)
Grand Total (Overall Average)	**339 485**	**290 618**	**16.81**	**45**	**44**	**2.27**
Industrial Sectors	**164 595**	**150 835**	**9.12**	**52**	**52**	**0.00**
Mining and Quarrying	241	333	-27.63	46	39	17.95
Manufacturing	148 282	137 466	7.87	56	58	-3.45
Electricity and Gas Supply	5 196	4 641	11.96	179	167	7.19
Water Supply and Remediation Services	2 725	2 015	35.24	99	81	22.22
Construction	8 152	6 381	27.75	17	14	21.43
Service Sectors	**174 889**	**139 783**	**25.11**	**40**	**37**	**8.11**
Wholesale and Retail Trade	67 251	55 612	20.93	35	30	16.67
Transportation and Storage	16 586	15 418	7.58	46	42	9.52
Accommodation and Food Services	18 422	14 209	29.65	57	56	1.79
Information and Communication	6 597	6 039	9.24	38	37	2.70
Finance and Insurance	10 004	9 571	4.52	27	26	3.85
Real Estate	3 818	2 544	50.08	46	41	12.20
Prof. Scientific and Technical Services	5 359	3 268	63.98	24	23	4.35
Support Services	2 741	1 920	42.76	10	15	-33.33
Compulsory Social Security	159	88	80.68	35	21	66.67
Education	3 188	…	…	39	…	…
Human Health and Social Work Services	25 517	…	…	73	…	…
Human Health Services	19 784	17 066	15.93	71	78	-8.97
Residential Care Services	2 986	…	…	104	…	…
Other Social Work Services	2 748	…	…	63	…	…
Arts, Entertainment and Recreation	6 953	6 694	3.87	102	114	-10.53
Other Services	8 295	7 354	12.80	53	46	15.22