

Media Release:

AI Wave To Bring More Risks As It Fuels Taiwan's GDP Growth

July 9, 2026

This report does not constitute a rating action.

A dramatic increase in global IT spending continues to boost Taiwan's tech-heavy export sector, with no sign of cooling in the second half of 2026. The reopening of the Strait of Hormuz should lower tail risks for Taiwan's non-tech players. However, other risks remain, including weak China demand and heightened geopolitical and trade uncertainties.

Meanwhile, Taiwan's financial institutions are likely to maintain their credit strength despite macroeconomic uncertainty and market cyclicalities weighing on some sectors. These are the main findings of a report titled, "**2026 Taiwan Mid-Year Outlook - Riding The AI Wave: Rising Demand Brings More Risks**," that Taiwan Ratings Corp. published today.

"Resilient AI-related demand is a major boost to growth," said Taiwan Ratings credit analyst Effie Tsai. "However, concentrated AI-driven growth creates new economic sensitivity and a slowdown in AI investment could weaken tech exports and growth. Meanwhile, a reassessment of AI returns may trigger a decline in tech valuations, volatile capital flows, and currency pressure."

Other key findings are:

- Financing: Volatile capital markets could constrict financing access, while foreign exchange swings to hit unhedged dollar exposure.
- China's economy: Property slump and shifting trade flows weigh on sentiment and growth.
- Global trade: Trade policy volatility to amplify uncertainty, increasing pressure on sentiment, demand and trade.
- Geopolitics: Shifting U.S.-China dynamics and geopolitical tensions are reshaping global risk, hitting growth and supply chains, and compounding financial market volatility.
- Technology: AI-driven innovation increases geopolitical fragmentation, cyber risk, and costs, exposing vulnerabilities in businesses and critical infrastructure.
- Climate change: Extreme weather and energy transition to pose business challenges and raise costs.

The article is the subject of a Chinese-language webcast held today by Taiwan Ratings. Registration for the event can be completed via the following [link](https://event.on24.com/wcc/r/5406265/2AA0475E3249D1657F74BE8C7E486BF9) (https://event.on24.com/wcc/r/5406265/2AA0475E3249D1657F74BE8C7E486BF9). A replay of the event will be also available from the morning of Friday, July 10, 2026, via the same link.

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The full report is available to subscribers of Taiwan Ratings' Rating Research Service (<https://rrs.taiwanratings.com.tw/>) and for members of the media by contacting Simon Chen at +886-2-7724-8660 or via email at simon.chen@taiwanratings.com.tw.

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