

Taiwan Business Indicators in July 2013

Press Release

Council for Economic Planning and Development, Executive Yuan

August 27, 2013

In July 2013, the Taiwan Business Indicators showed the economic recovery to remain on the slower track. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the trend-adjusted leading index decreased by 0.13%, the trend-adjusted coincident index increased by 0.01% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 102.85, up by 0.03% from June 2013. Its trend-adjusted index decreased by 0.13% to 100.22. Among the seven indicators making up the trend-adjusted index, real monetary aggregates M1B, the stock price index, and the TIER manufacturing sector composite indicator had positive cyclical movements from the previous month, while the index of export orders, net accession rate of employees on payrolls of industry and services, SEMI book-to-bill ratio, and building permits had negative cyclical movements.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.47, up by 0.16% from June 2013. Its trend-adjusted index increased by 0.01% to 98.87. Among the seven indicators making up the trend-adjusted index, electric power consumption, real machineries and electrical equipments imports, and the index of producer's shipment for manufacturing had positive cyclical movements from the previous month, while nonagricultural employment, sales of trade and food services, real customs-cleared exports, and the industrial production index had negative cyclical movements.
3. **Lagging Indicators:** With revised data, the lagging index stood at 101.89, down by 0.24% from June 2013. Its trend-adjusted index decreased by 0.39% to 99.29. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index had positive cyclical movement from the previous month, while the

inventories to sales ratio for manufacturing, the unemployment rate (inverted), regular employees on payrolls in industry and services, the interbank overnight call-loan rate, and loans and investments of monetary financial institutions had negative cyclical movements.

4. The Monitoring Indicators: The total score in July dropped by three points to 20, changing the overall light signal from “green” to “yellow-blue”.

~~ The next release is scheduled for September 27 2013 ~~

Table 1 Leading Indicators

	Seasonally adjusted						
	2013						
	Jan	Feb	Mar	Apr	May	Jun	Jul
Composite Index	101.56	102.08	102.42	102.66	102.78	102.82	102.85
Change from preceding month (%)	0.71	0.51	0.34	0.23	0.12	0.03	0.03
Trend adjusted index	99.90	100.24	100.42	100.50	100.47	100.34	100.22
Change from preceding month (%)	0.55	0.35	0.18	0.08	-0.03	-0.12	-0.13
Components							
Index of export orders (2011=100)	106.9	103.0	99.8	102.8	102.9	102.5	102.8
Real monetary aggregates M1B (NT\$ billion)	12,029	11,908	12,234	12,250	12,418	12,541	12,642
Stock price index (1966=100)*	7,759	7,933	7,907	7,893	8,272	7,989	8,102
Net accession rate of employees on payrolls of industry and services ** (%)	0.09	0.14	0.12	0.14	0.08	0.00	0.03 _p
Building permits *** (1,000m ²)	2,740	2,906	2,317	3,024	3,036	2,324	2,845
SEMI Book-to-Bill Ratio	1.11	1.10	1.11	1.08	1.08	1.10	1.00
The TIER manufacturing sector composite indicator (2006=100)	99.08	97.98	99.48	97.38	99.47	97.51	98.40

Note : 1. p = Preliminarily estimated.

2. * Stock Price Index is not seasonally adjusted.

** Net accession rate is equal to accession rate minus separation rate.

*** Including only housing, mercantile, business and service, industry warehousing.

Table 2 Coincident Indicators

Seasonally adjusted

	2013						
	Jan	Feb	Mar	Apr	May	Jun	Jul
Composite Index	100.63	100.62	100.66	100.82	101.07	101.30	101.47
Change from preceding month (%)	0.07	-0.00	0.04	0.16	0.24	0.23	0.16
Trend adjusted index	98.98	98.82	98.70	98.70	98.79	98.87	98.87
Change from preceding month (%)	-0.10	-0.16	-0.12	0.00	0.09	0.08	0.01
Components							
Industrial production index (2011=100)	101.7	100.1	99.2	98.2	99.0	99.7	100.5
Electric power consumption (billion kWh)	12.05	11.76	11.38	11.87	11.94	12.41	11.85
Index of producer's shipment for manufacturing (2011=100)	101.5	97.5	94.9	96.3	97.9	97.6	97.8 _p
Sales of trade and food services (NT\$ billion)	1,192	1,173	1,177	1,183	1,183	1,180	1,175
Nonagricultural employment (thousand persons)	10,381	10,399	10,403	10,407	10,410	10,418	10,417
Real customs-cleared exports (NT\$ billion)	775.5	749.9	778.3	766.6	787.7	806.3	772.5
Real machineries and electrical equipments imports (NT\$ billion)	217.8	210.8	210.9	207.2	215.9	217.9	208.6

Table 3 Lagging Indicators

Seasonally adjusted

	2013						
	Jan	Feb	Mar	Apr	May	Jun	Jul
Composite Index	102.25	102.49	102.63	102.58	102.38	102.13	101.89
Change from preceding month (%)	0.18	0.24	0.13	-0.05	-0.20	-0.24	-0.24
Trend adjusted index	100.58	100.65	100.63	100.42	100.07	99.68	99.29
Change from preceding month (%)	0.02	0.08	-0.03	-0.20	-0.35	-0.39	-0.39
Components							
Unemployment rate* (%)	4.20	4.16	4.18	4.19	4.19	4.17	4.18
Regular employees on payrolls in industry & services (thousand persons)	6,804	6,819	6,820	6,827	6,835	6,842	6,851 _p
The manufacturing unit output labor cost index (2006=100)	78.9	85.6	84.4	85.3	84.5	84.2	84.5 _p
Interbank overnight call-loan rate** (percent per annum)	0.387	0.387	0.387	0.386	0.386	0.386	0.386
Loans and investments of monetary financial institutions (NT\$ billion)	25,602	25,718	25,934	25,986	25,979	26,160	26,370
Inventories to sales ratio for manufacturing (%)	68.2	70.2	73.5	72.1	67.3	67.4	68.6 _p

Note : * This series is inverted while aggregating composite lagging index.

** Interbank overnight call-loan rate is not seasonally adjusted.

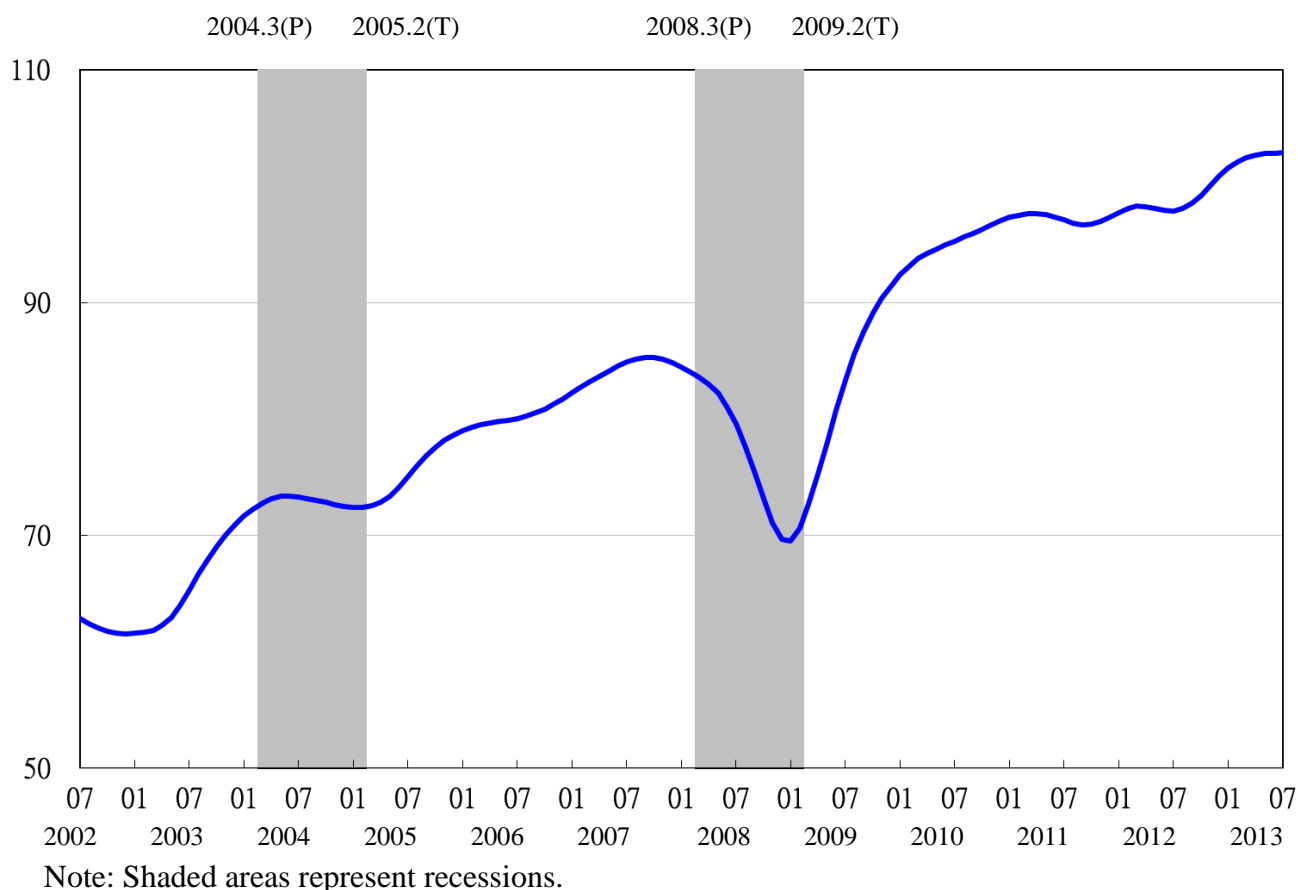


Figure 1 Composite Leading Index

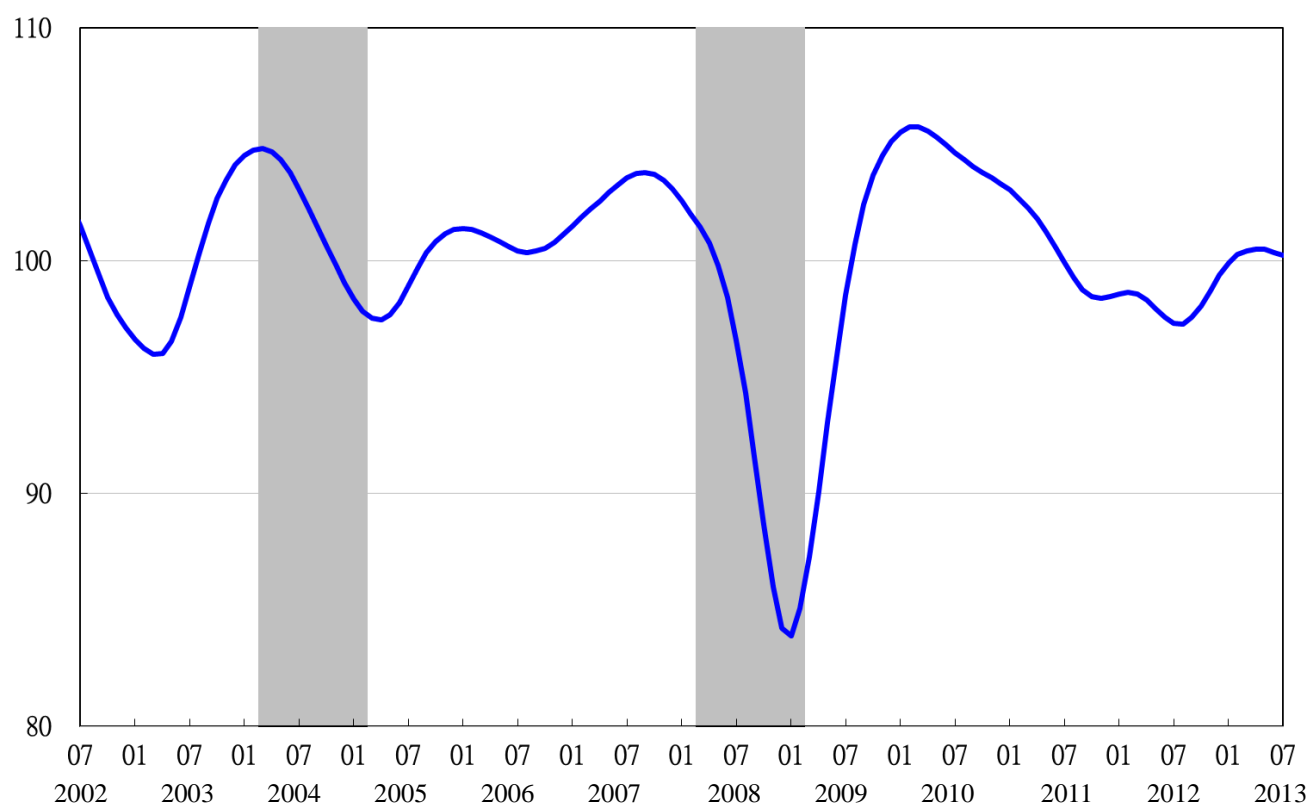


Figure 2 Trend-adjusted Composite Leading Index

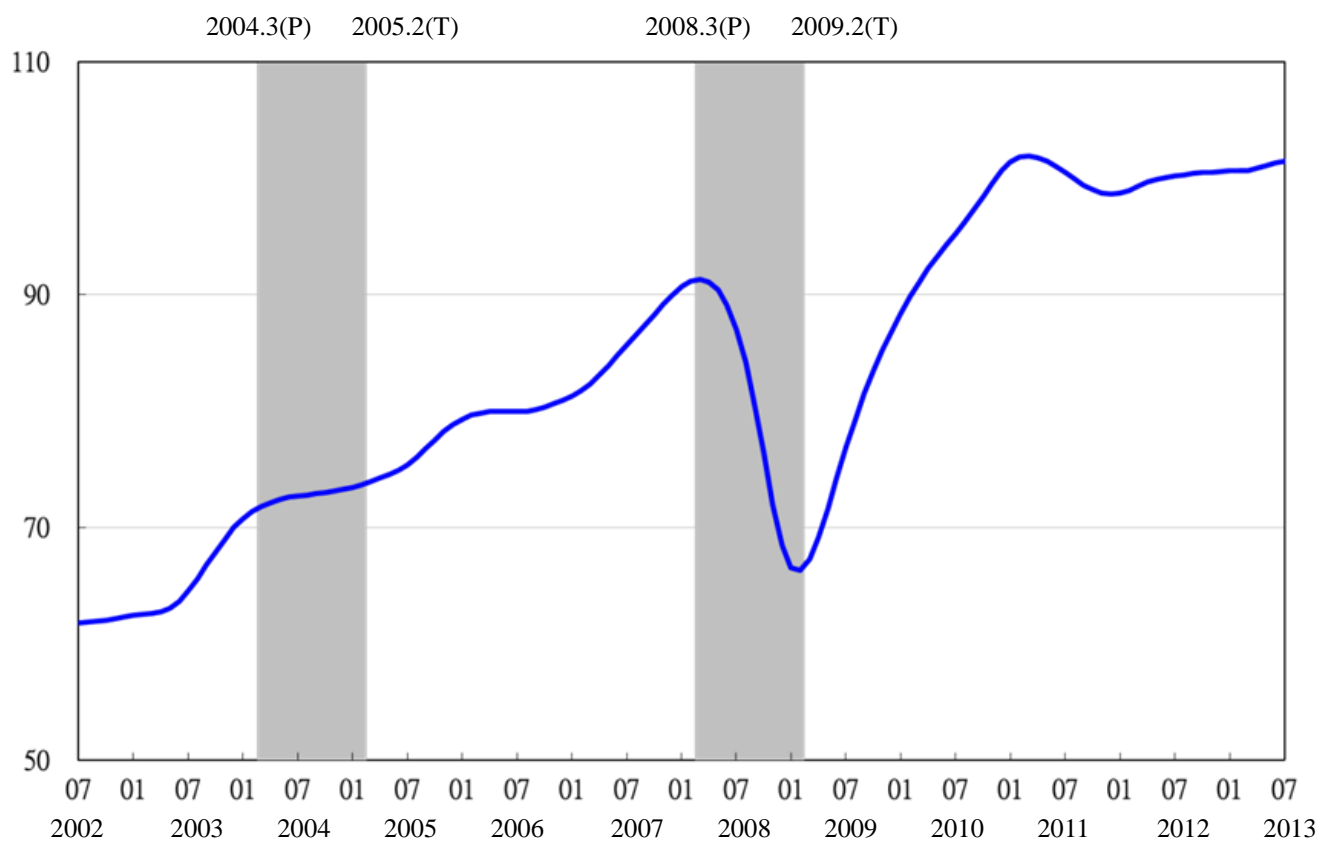


Figure 3 Composite Coincident Index

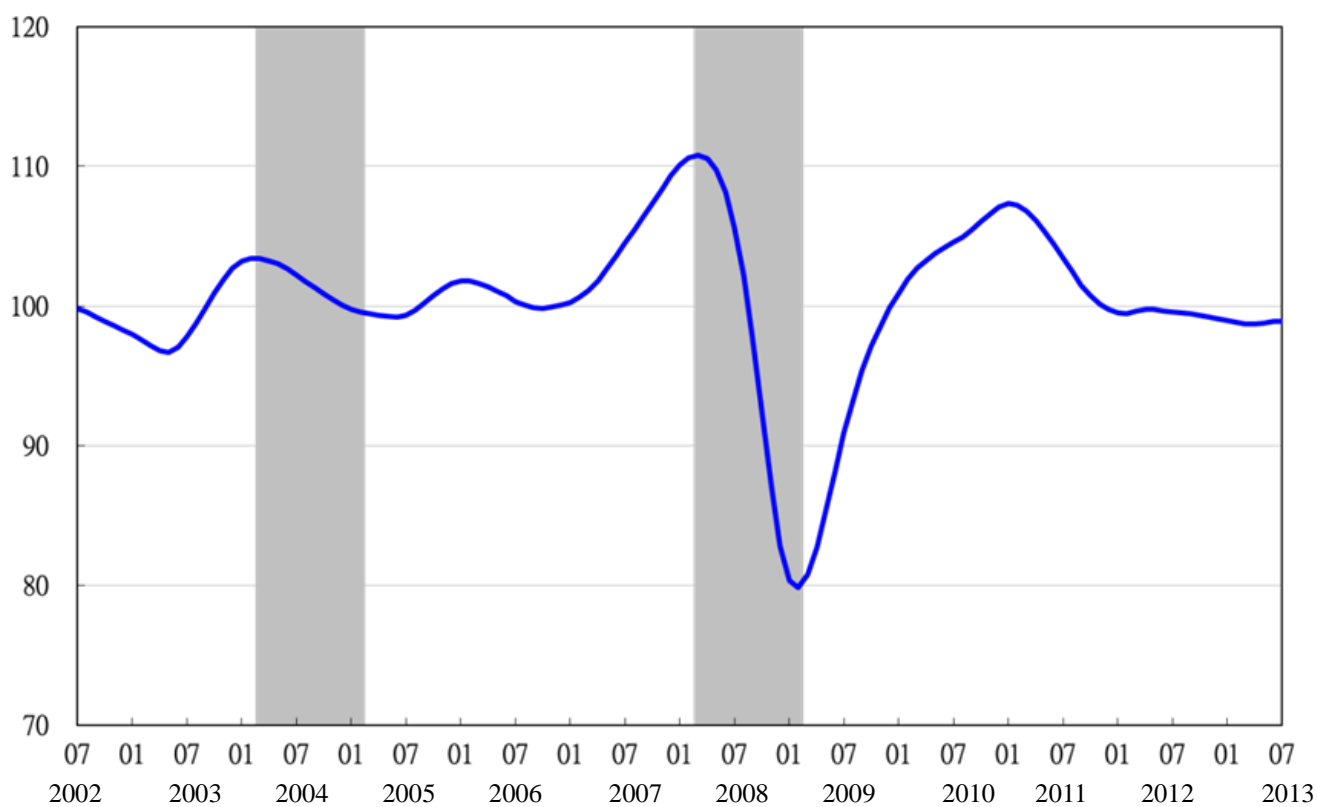


Figure 4 Trend-adjusted Composite Coincident Index

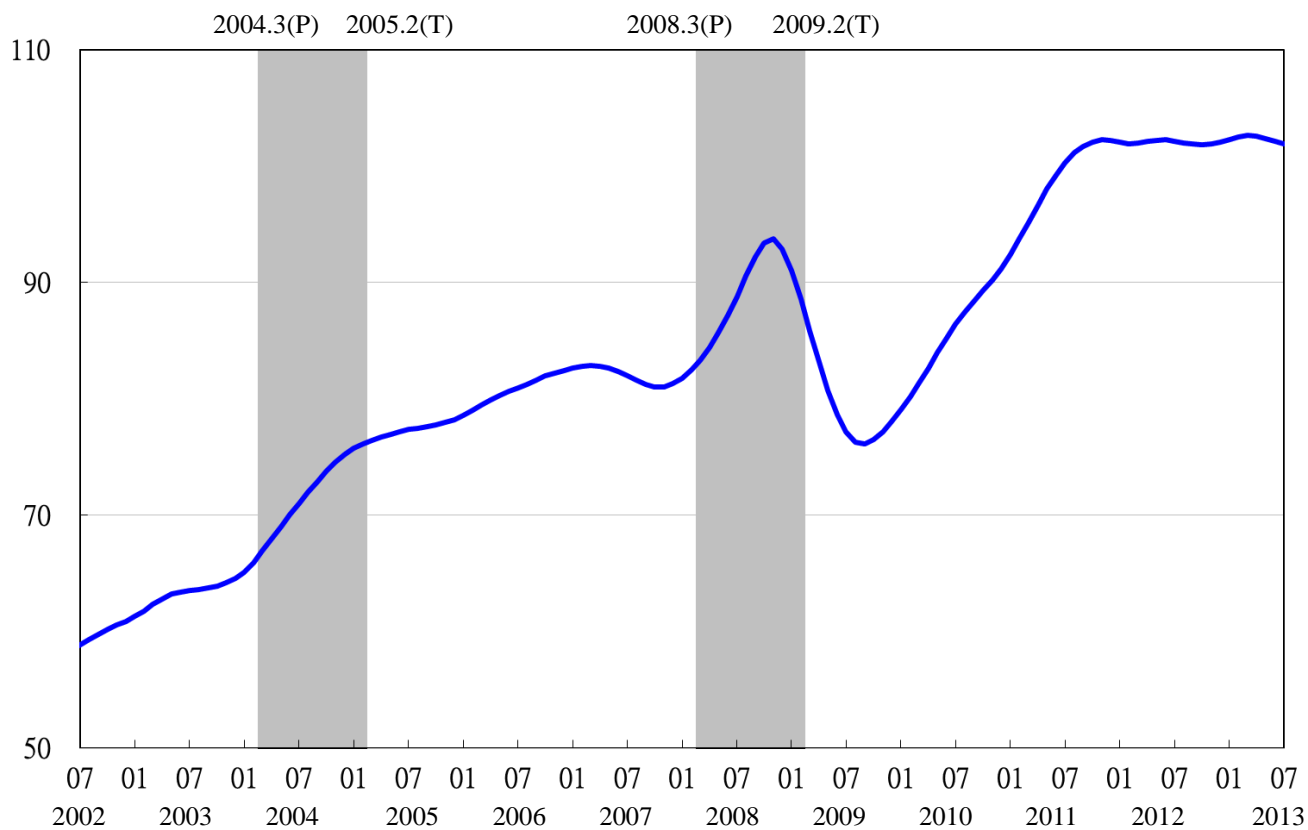


Figure 5 Composite Lagging Index

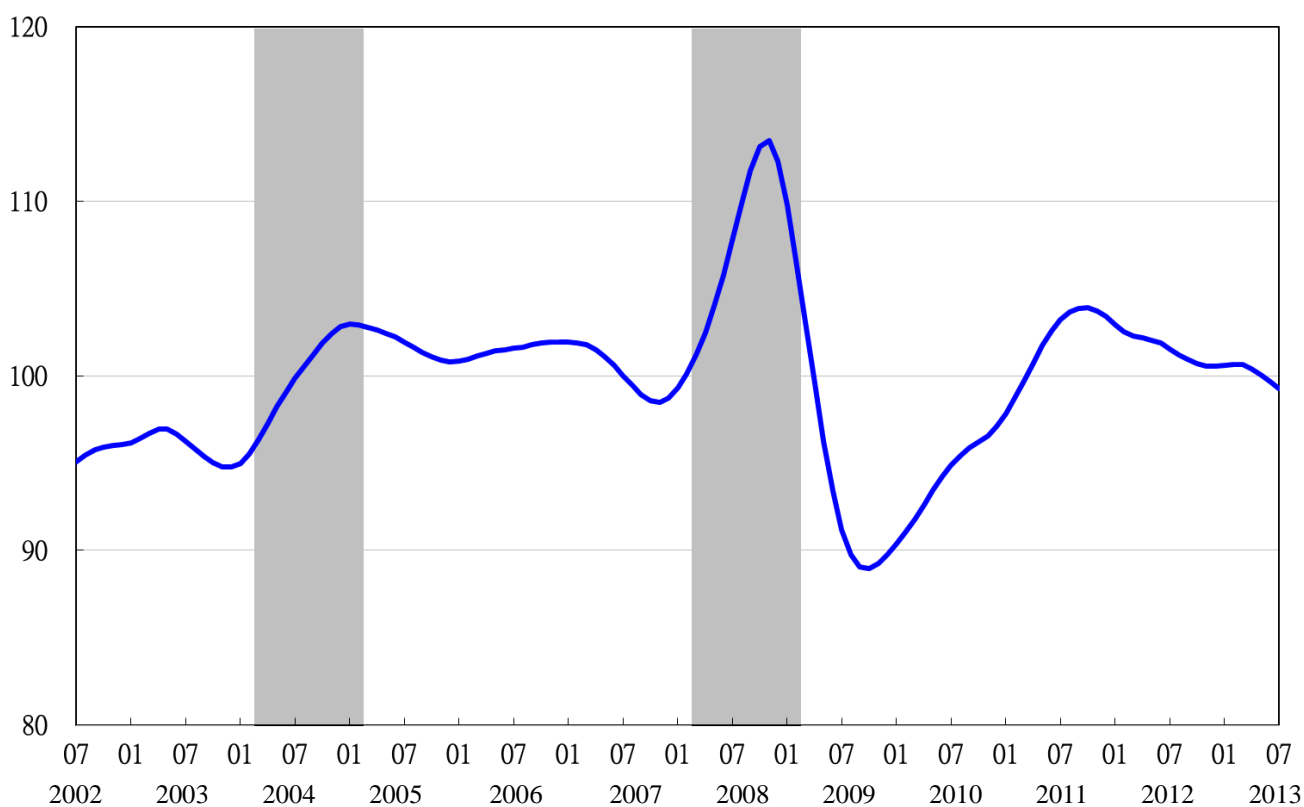


Figure 6 Trend-adjusted Composite Lagging Index

	Month	2012						2013											
		7	8	9	10	11	12	1	2	3	4	5	6	New Series beginning in July 2013*					7
Total	Light													New Series beginning in July 2013*					
	Score	16	15	20	19	21	22	19	20	18	17	19	23						20
Monetary Aggregates M1B														8.0	Monetary Aggregates M1B		8.6		
Direct and Indirect Finance														4.5					
Stock Price Index														11.8	Stock Price Index		12.7		
Industrial Production Index														1.5	Industrial Production Index		0.6		
Nonagricultural Employment														1.0	Nonagricultural Employment		1.0		
Customs-Cleared Exports														7.6	Customs-Cleared Exports		2.5		
Imports of Machinery and Electrical Equipments														8.6	Imports of Machineries and Electrical Equipments		-8.2		
Manufacturing Sales														2.5 _r	Index of producer's shipment for manufacturing		-1.5 _p		
Sales Index of Trade and Food Services														1.2 _r	Sales of Trade and Food Services		-0.7		
															The TIER Manufacturing Sector Composite Indicator		98.4		

● Booming ● Transitional ● stable ● Transitional ● sluggish

Notes : 1. Individual Components and check points are in terms of percentage changes over 1-year span, except that the TIER Manufacturing Sector Composite Indicator is points (2006=100).

2. All components, except stock price index, have been seasonally adjusted.

3. p = Preliminarily estimated, r = Revised.

Figure 7 Monitoring Indicators