

Taiwan Business Indicators in November 2008

Press Release

Council for Economic Planning and Development

December 26, 2008

In November 2008, Taiwan's business cyclical indicators suggest further weakening in economic conditions going forward. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the leading index decreased 0.5 point, the trend-adjusted coincident index decreased 6.0% from the previous month and the overall monitoring indicator flashed the "blue" signal for the third consecutive month.

1. **Leading Indicators:** The composite leading index stood at 100.3, down by 0.8% from October. Its annualized six-month rate of change decreased by 0.5 point to -9.4%. The decreasing leading index largely came from the negative cyclical movements in index of export orders, stock price index, and average monthly overtime in industry and services.

(Note: components marked with an asterisk indicate real terms)

2. **Coincident Indicators:** The coincident index stood at 92.1, down by 5.8% from October. Its trend-adjusted index decreased by 6.0% to 83.3, with sliding for ninth consecutive month. All coincident indicators contributed negatively to the index, led by large decline in industrial production index, electric power consumption, real manufacturing sales*, and real customs-cleared exports*.
3. **The Monitoring Indicators:** The total score in November was down by 1 point to 11, flashing the "blue" signal for the third consecutive month. Among the nine components, nonagricultural employment lost one point and changed the light signal from "green" to "yellow-blue". The light signals for money supply M1B, direct and indirect finance, stock price index, industrial production index, customs-cleared exports,

imports of machineries, electrical equipments, manufacturing sales and sales index of wholesale, retail and food services remained unchanged.

~~ The next release is scheduled for February 3, 2009 ~~

Leading Indicators

Seasonally adjusted

	2008						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	106.6	106.1	105.1	103.7	101.5	101.1	100.3
Change from preceding month (%)	-0.4	-0.4	-1.0	-1.4	-2.1	-0.3	-0.8
Annualized 6-month rate of change (%)	-1.3	-2.1	-3.8	-6.0	-9.1	-8.9	-9.4
Change from preceding month (point)	-0.9	-0.8	-1.6	-2.2	-3.2	0.3	-0.5
Components							
Index of export orders (2006=100)	118.1	116.4	114.9	117.7	115.0	109.0	92.8
Real monetary aggregates M1B (NT\$ billion)	7,843	7,644	7,453	7,497	7,509	7,604	7,671
Stock prices (1966=100)	8,910	8,180	7,128	7,071	6,204	5,043	4,510
Index of producer's Inventory (2006=100)	106.5	106.9	111.6	119.3	122.0	120.7	121.6 _p
Average monthly overtime in industry and services (hours/month)	9.0	8.8	8.9	8.9	8.3	7.8	8.0 _p
Building Permits * (1000m2)	2,025	2,065	1,475	2,103	1,710	1,633	1,635
SEMI Book-to-Bill Ratio	0.78	0.81	0.83	0.81	0.70	0.96	1.00

Note : 1.p=Preliminary.

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

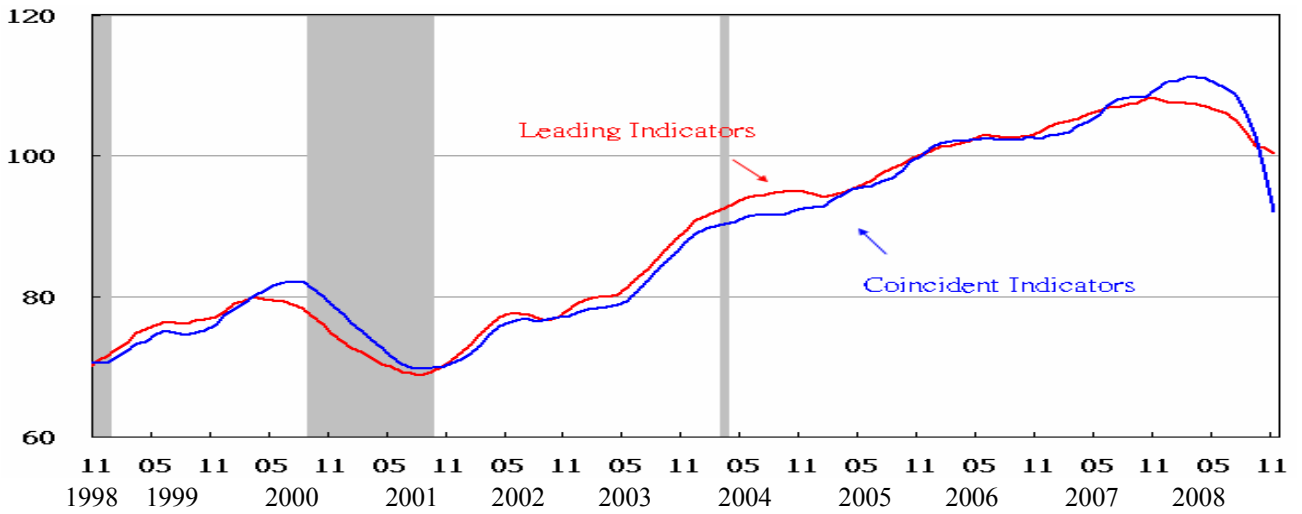
Coincident Indicators

Seasonally adjusted

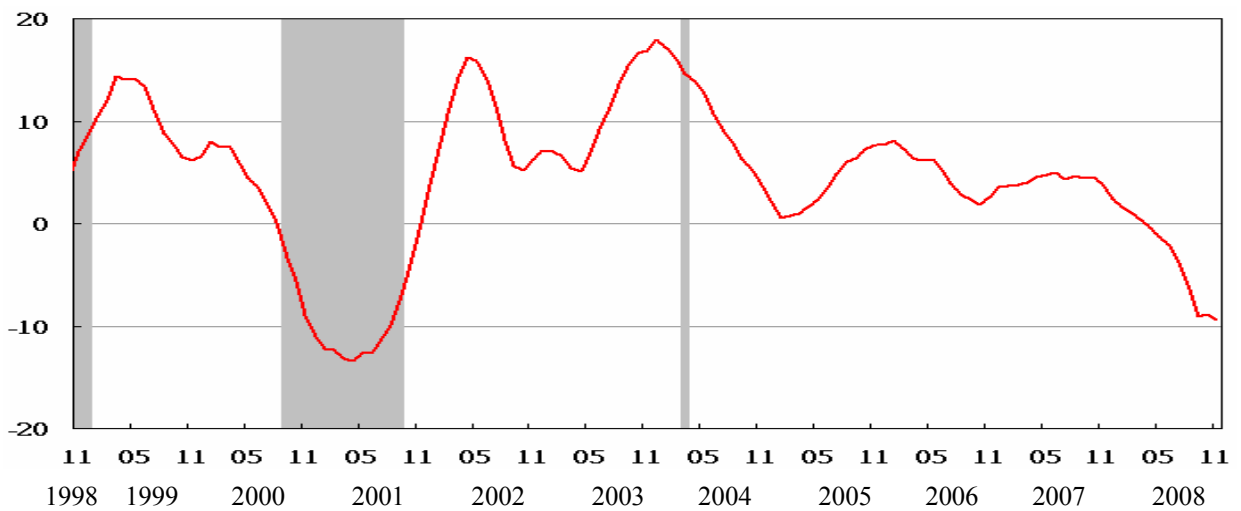
	2008						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	110.4	109.6	108.7	106.5	102.9	97.7	92.1
Change from preceding month (%)	-0.6	-0.7	-0.8	-2.0	-3.4	-5.0	-5.8
Trend adjusted index	101.6	100.6	99.5	97.2	93.6	88.6	83.3
Change from preceding month (%)	-0.9	-1.0	-1.1	-2.3	-3.7	-5.3	-6.0
Components							
Industrial production (2006=100)	113.6	114.4	112.6	113.0	107.6	98.6	84.8
Electric power consumption (billion KWH)	11.22	11.20	11.46	10.46	11.63	10.04	9.09
Real manufacturing sales (NT\$ billion)	818.6	815.8	778.4	763.6	725.6	672.7	655.1 _p
Sales index of wholesale, retail, and food services (2001=100)	124.1	120.7	120.4	120.2	119.6	119.1	115.4
Nonagricultural employment (1,000)	9,885	9,897	9,891	9,902	9,892	9,889	9,868
Real customs-cleared exports (NT\$ billion)	696.1	733.3	670.4	735.6	656.7	640.0	526.6
Real machineries and electrical equipments imports (NT\$ billion)	220.4	221.3	213.1	217.3	207.4	195.2	173.6

Note : p: Preliminary.

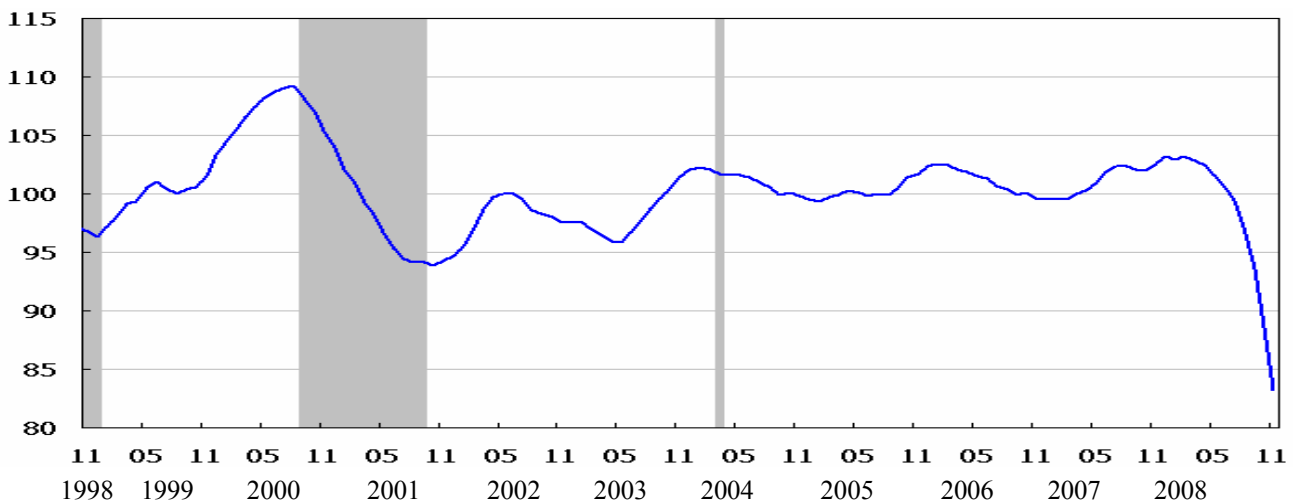
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indications

	2007		2008											
	11	12	1	2	3	4	5	6	7	8	9	10	11	
Total	Light													
	Score	28	29	29	27	26	27	22	20	16	18	12	12	11
Monetary Aggregates M1B														-3.6
Direct and Indirect Finance														3.02
Stock Price Index														-48.8
Industrial Production Index														-24.8
Nonagricultural Employment														0.7
Exports														-22.3
Imports of Machinery and Electrical Equipment														-19.8
Manufacturing Sales														-25.0 _p
Wholesale, Retail and Food Services Sales														-7.4

● Booming
 ● Transitional
 ● Stable
 ● Transitional
 ▼ Sluggish

*Components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.