

Taiwan Business Indicators in February 2009

Press Release

Council for Economic Planning and Development

March 27, 2009

In February 2009, Taiwan's business cyclical indicators showed a continuous slowdown in economic conditions. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the annualized six-month rate of change of leading index increased 1.8 point, the trend-adjusted coincident index decreased 3.7% from the previous month and the overall monitoring indicator flashed the "blue" signal for the sixth consecutive month.

1. **Leading Indicators:** The composite leading index stood at 84.8, down by 0.5% from January 2009. Its annualized six-month rate of change rose modestly by 1.8 point to -22.5%, following fifteenth consecutive monthly declines. The increasing leading index mainly came from the positive cyclical movements in index of producer's inventory, monetary aggregates M1B* and SEMI book-to-bill ratio.

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

2. **Coincident Indicators:** The coincident index stood at 76.1, down by 3.6% from January. Its trend-adjusted index decreased by 3.7% to 73.5, with sliding for the twelfth consecutive month. The decreasing coincident index largely came from the negative cyclical movements in electric power consumption, real customs-cleared exports* and nonagricultural employment. However, the sales index of wholesale, retail, and food services, industrial production index increased slightly.
3. **The Monitoring Indicators:** The total score in February increased 1 point to 10, flashing the signal of "blue" for the sixth consecutive month. Among the nine components, money supply M1B gained one point and changed the light signal from "blue" to "yellow-blue". The light signals for the rest of eight components remained unchanged.

~~ **The next release is scheduled for April 27, 2009** ~~

Leading Indicators

	Seasonally adjusted						
	2008					2009	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Composite Index	97.7	94.7	93.2	90.2	88.0	85.2	84.8
Change from preceding month (%)	-2.2	-3.0	-1.6	-3.2	-2.5	-3.2	-0.5
Annualized 6-month rate of change (%)	-11.8	-15.7	-16.9	-20.1	-21.8	-24.3	-22.5
Change from preceding month (point)	-2.9	-3.9	-1.2	-3.2	-1.7	-2.5	1.8
Components							
Index of export orders (2006=100)	116.9	114.7	109.2	94.4	88.7	85.0	102.5
Real monetary aggregates M1B (NT\$ billion)	7,490	7,512	7,587	7,647	7,668	7,777	7,994
Stock price index(1966=100)	7,071	6,204	5,043	4,510	4,496	4,475	4,477
Index of producer's Inventory (2006=100)	119.0	120.7	119.7	119.8	114.3	112.3	112.5 _p
Average monthly overtime in industry and services (hours/month)	8.6	8.0	7.4	6.1	4.7	4.8	4.4 _p
Building Permits * (1000m2)	2,032	1,676	1,584	1,535	1,274	1,255	1,156
SEMI Book-to-Bill Ratio	0.81	0.70	0.96	0.97	0.86	0.47	0.48

Note : 1.p=Preliminary.

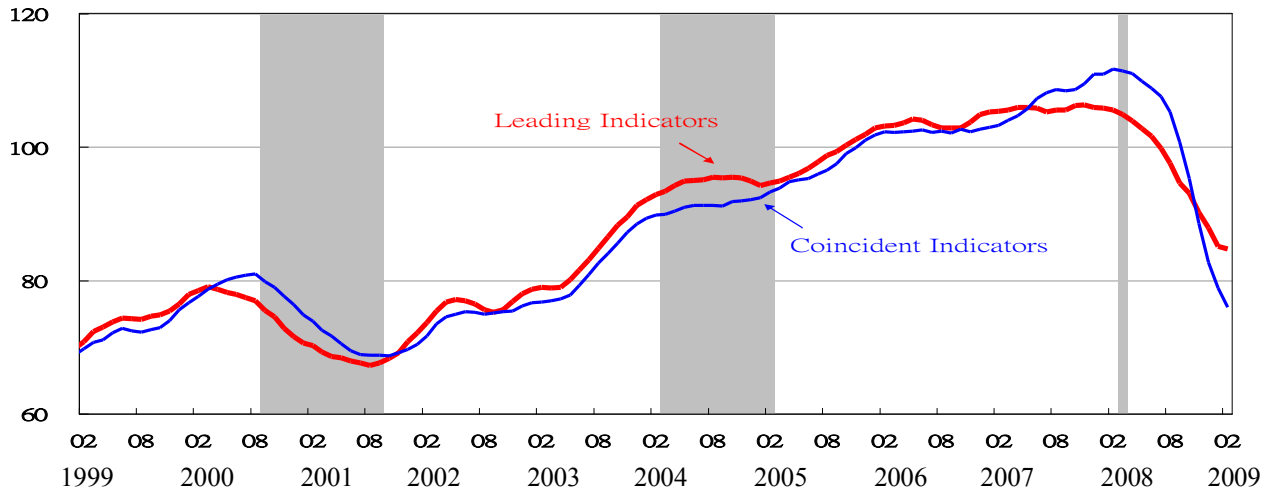
2.* Including only housing, mercantile, business and service, industry warehousing.

Coincident Indicators

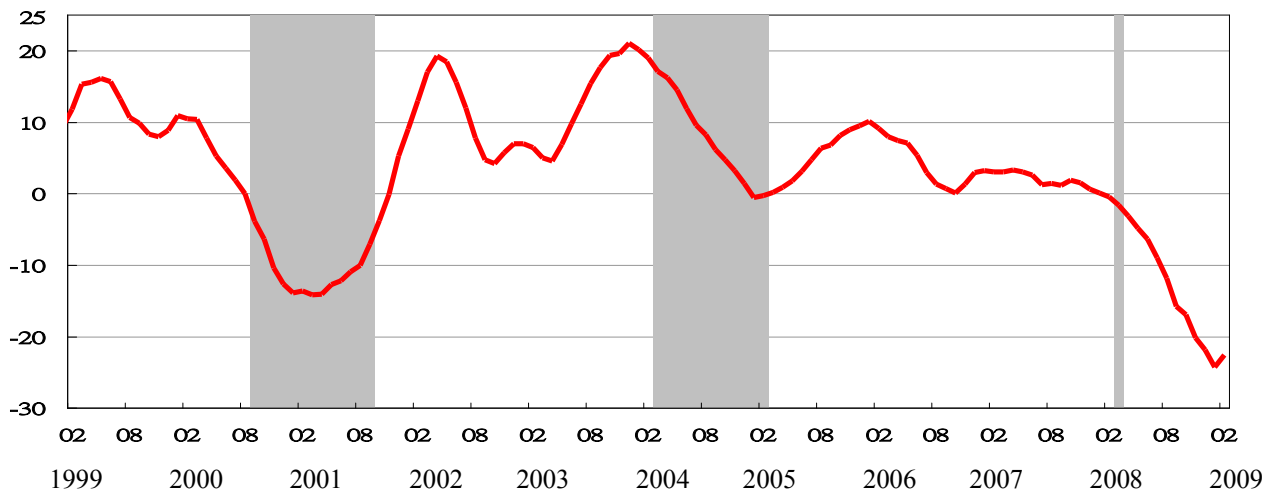
	Seasonally adjusted						
	2008					2009	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Composite Index	105.3	100.8	95.3	88.6	82.8	78.9	76.1
Change from preceding month (%)	-2.1	-4.3	-5.4	-7.0	-6.6	-4.7	-3.6
Trend adjusted index	102.1	97.7	92.3	85.8	80.1	76.3	73.5
Change from preceding month (%)	-2.2	-4.3	-5.5	-7.1	-6.6	-4.7	-3.7
Components							
Industrial production index(2006=100)	110.3	104.9	96.6	84.5	77.8	75.4	77.9
Electric power consumption (billion kWh)	10.48	11.72	10.24	8.95	9.37	7.89	8.93
Real manufacturing sales (NT\$ billion)	765.0	724.9	676.3	602.8	585.2	565.7	520.6 _p
Sales index of wholesale, retail, and food services (2001=100)	120.1	119.5	119.1	115.0	112.1	114.6	116.3
Nonagricultural employment (1,000)	9,894	9,881	9,877	9,855	9,795	9,764	9,721
Real customs-cleared exports (NT\$ billion)	733.5	656.1	635.4	532.2	463.0	494.3	476.4
Real machineries and electrical equipments imports (NT\$ billion)	213.6	212.2	189.8	174.1	145.8	154.5	139.2

Note : p: Preliminary.

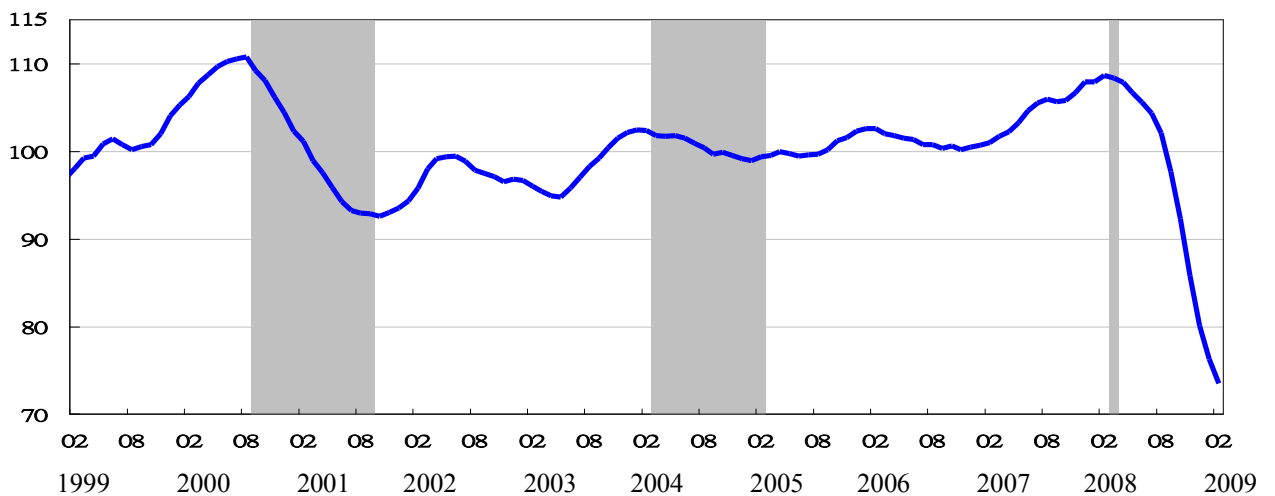
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indications

	2008												2009	
	2	3	4	5	6	7	8	9	10	11	12	1	2	
Total	Light													
	Score	27	26	27	22	20	16	18	12	12	11	9	9	10
Monetary Aggregates M1B														4.5
Direct and Indirect Finance														1.9
Stock Price Index														-44.0
Industrial Production Index														-33.2
Nonagricultural Employment														-1.4
Exports														-35.9
Imports of Machinery and Electrical Equipment														-37.7
Manufacturing Sales														-46.3 _p
Wholesale, Retail and Food Services Sales														-6.0

● 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.