

## **Taiwan Business Indicators in July 2009**

Press Release

Council for Economic Planning and Development

August 27, 2009

In July 2009, several economic indicators pointed to a significant easing of Taiwan's deep slowdown. 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 rose 5.7 points, the trend-adjusted coincident index also rose by 3.1% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. **Leading Indicators:** With revised data, the leading index stood at 97.3, up by 2.3% from June. Its annualized six-month rate of change rose by 5.7 points to 11.3%. The increasing leading index mainly came from the positive cyclical movements in SEMI book-to-bill ratio, the index of export orders, index of producer's inventory, average monthly overtime in industry and services, real monetary aggregates M1B, and stock price index.
2. **Coincident Indicators:** With revised data, the coincident index stood at 95.1, up by 2.7% from June. Its trend-adjusted index rose by 3.1% to 98.7. The increasing coincident index largely came from the positive cyclical movements in electric power consumption, industrial production index, the sales index of wholesale, retail, and food services, real manufacturing sales, real customs-cleared exports, and real imports of machineries and electrical equipments.
3. **The Monitoring Indicators:** The total score in July increased 1 point to 18, flashing the second "yellow-blue" signal. Among the nine components, sales index of wholesale, retail and food services gained one point and changed its individual light signal from "yellow-red" to "red". The light signals for the rest of eight components remained unchanged.

**~~ The next release is scheduled for September 28, 2009 ~~**

## Leading Indicators

Seasonally adjusted

	2009						
	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Composite Index</b>	84.9	86.4	88.7	91.4	93.5	95.1	97.3
Change from preceding month (%)	-2.0	1.8	2.6	3.1	2.3	1.7	2.3
Annualized 6-month rate of change (%)	-24.9	-19.7	-13.1	-5.5	0.7	5.6	11.3
Change from preceding month (point)	-0.5	5.2	6.6	7.6	6.2	4.9	5.7
<b>Components</b>							
Index of export orders (2006=100)	85.8	102.7	105.5	109.2	112.7	121.2	119.2
Real monetary aggregates M1B (NT\$ billion)	7,814	8,054	8,245	8,507	8,774	8,961	9,106
Stock price index(1966=100)	4,475	4,477	4,926	5,724	6,586	6,496	6,835
Index of producer's Inventory (2006=100)	112.0	104.2	103.6	102.6	104.2	101.6	101.6 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	4.7	4.7	4.9	5.3	5.9	5.9	6.0 <sub>p</sub>
Building Permits * (1000m2)	1,248	1,142	1,122	1,212	817	983	1,150
SEMI Book-to-Bill Ratio	0.47	0.49	0.56	0.65	0.73	0.80	1.06

Note : 1.p=Preliminary.

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

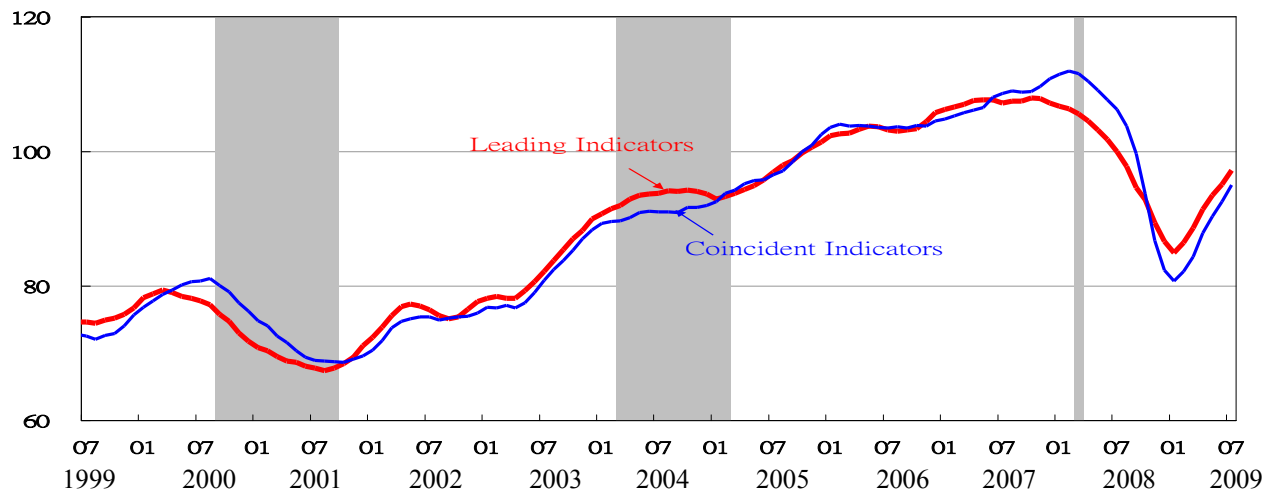
## Coincident Indicators

Seasonally adjusted

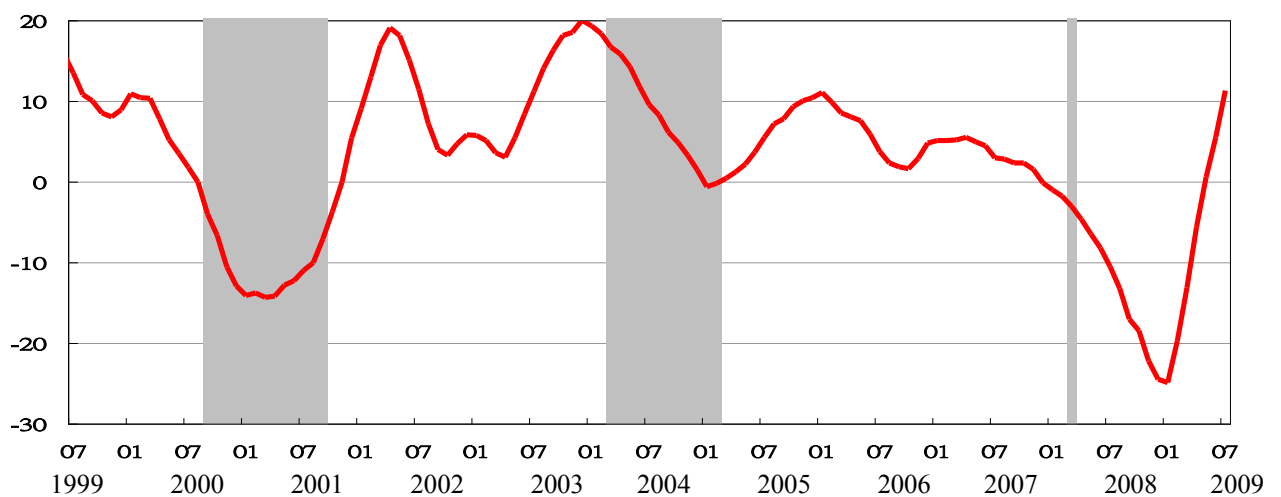
	2009						
	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Composite Index</b>	80.8	82.2	84.4	87.9	90.4	92.5	95.1
Change from preceding month (%)	-2.0	1.7	2.7	4.2	2.8	2.4	2.7
Trend adjusted index	82.2	83.9	86.4	90.4	93.2	95.8	98.7
Change from preceding month (%)	-1.6	2.1	3.0	4.5	3.2	2.7	3.1
<b>Components</b>							
Industrial production index(2006=100)	75.4	77.8	85.0	90.6	92.1	96.7	97.9
Electric power consumption (billion kWh)	7.92	10.74	9.63	9.78	9.23	10.30	10.71
Real manufacturing sales (NT\$ billion)	588.8	605.4	640.5	676.5	675.4	723.2	702.3 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	94.5	96.6	97.0	100.3	100.5	104.5	105.9
Nonagricultural employment (1,000)	9,762	9,724	9,713	9,712	9,713	9,719	9,703
Real customs-cleared exports (NT\$ billion)	499.4	483.9	543.3	532.8	570.5	592.3	604.5
Real machineries and electrical equipments imports (NT\$ billion)	153.7	145.6	148.5	157.0	158.3	178.2	169.3

Note : p: Preliminary.

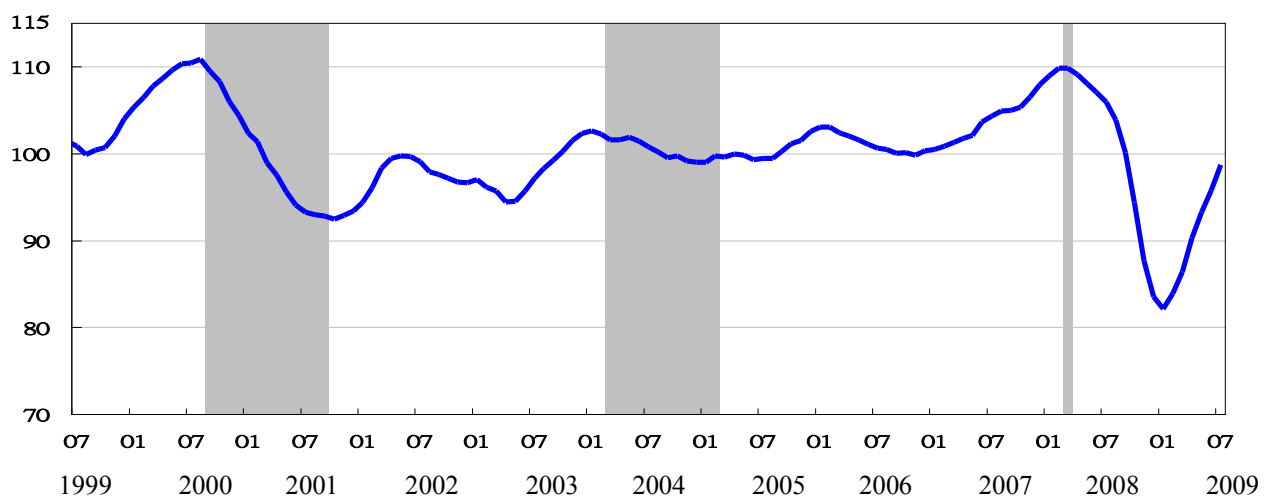
## Composite Indices of Cyclical Indicators



## Annualized 6-month rate of change of composite leading index



## Trend-adjusted composite coincident index



Shaded areas represent recessions.

## Monitoring Indications

		2008						2009							
		7	8	9	10	11	12	1	2	3	4	5	6	7	
Total	Light														
	Score	16	18	12	12	11	9	9	10	10	11	12	17	18	
Monetary Aggregates M1B															20.5
Direct and Indirect Finance															0.5
Stock Price Index															-4.1
Industrial Production Index															-11.1
Nonagricultural Employment															-1.9
Exports															-17.6
Imports of Machinery and Electrical Equipment															-12.5
Manufacturing Sales															-24.2 <sub>p</sub>
Wholesale, Retail and Food Services Sales															8.6

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.