

## Taiwan Business Indicators in May 2009

Press Release

Council for Economic Planning and Development

June 26, 2009

In May 2009, although Taiwan's economic activity still showed a slowdown, the pace of deterioration markedly had been moderating. 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 7.8 points, the trend-adjusted coincident index also rose by 2.8% from the previous month, and the overall monitoring indicator flashed the "blue" signal for the ninth consecutive month.

1. **Leading Indicators:** The composite leading index stood at 94.9, up by 3.3% from April. Its annualized six-month rate of change rose by 7.8 points to 3.5%, following sixteen consecutive monthly negative values. The increasing leading index mainly came from the positive cyclical movements in average monthly overtime in industry and services, the index of export orders, SEMI book-to-bill ratio, and stock price index.
2. **Coincident Indicators:** With revised data, the coincident index stood at 87.4, up by 2.7% from April. Its trend-adjusted index rose by 2.8% to 86.2. The increasing coincident index largely came from the positive cyclical movements in industrial production index, real manufacturing sales\*, electronic power consumption, and the sales index of wholesale, retail, and food services.

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

3. **The Monitoring Indicators:** The total score in May increased 1 point to 12, flashing the signal of "blue" for the ninth consecutive month. Among the nine components, money supply M1B gained one point and changed its individual light signal from "green" to "yellow-red". The light signals for the rest of eight components remained unchanged.

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

## Leading Indicators

Seasonally adjusted

	2008		2009				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Composite Index</b>	89.3	87.2	85.5	87.1	89.3	91.9	94.9
Change from preceding month (%)	-3.5	-2.4	-2.0	1.9	2.5	2.9	3.3
Annualized 6-month rate of change (%)	-21.1	-22.6	-23.2	-17.9	-11.5	-4.3	3.5
Change from preceding month (point)	-3.7	-1.5	-0.6	5.3	6.4	7.2	7.8
<b>Components</b>							
Index of export orders (2006=100)	94.4	89.1	85.8	102.7	105.0	108.4	111.5
Real monetary aggregates M1B (NT\$ billion)	7,614	7,660	7,771	7,989	8,205	8,514	8,850
Stock price index(1966=100)	4,510	4,496	4,475	4,477	4,926	5,724	6,586
Index of producer's Inventory (2006=100)	119.7	114.2	112.0	104.3	103.6	102.6	102.4 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	6.0	4.5	5.0	4.8	4.7	5.2	5.7 <sub>p</sub>
Building Permits * (1000m2)	1,526	1,260	1,236	1,127	1,101	1,230	850
SEMI Book-to-Bill Ratio	0.97	0.86	0.47	0.49	0.56	0.65	0.74

Note : 1.p=Preliminary.

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

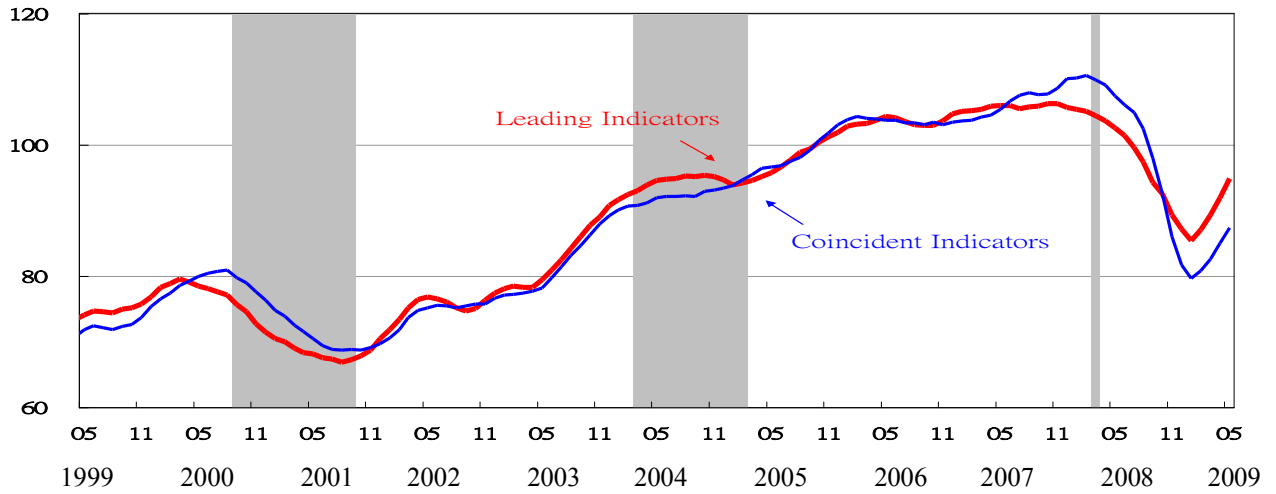
## Coincident Indicators

Seasonally adjusted

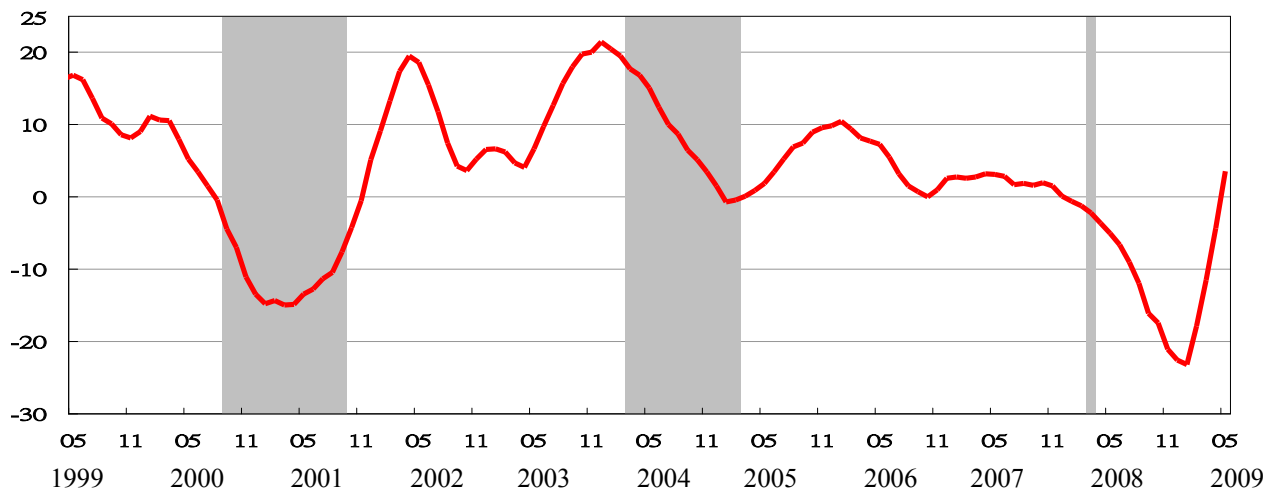
	2008		2009				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Composite Index</b>	86.1	81.7	79.7	80.8	82.6	85.1	87.4
Change from preceding month (%)	-7.0	-5.0	-2.5	1.5	2.2	3.0	2.7
Trend adjusted index	84.8	80.5	78.5	79.6	81.4	83.8	86.2
Change from preceding month (%)	-7.0	-5.0	-2.5	1.5	2.2	3.0	2.8
<b>Components</b>							
Industrial production index(2006=100)	84.5	77.8	75.4	77.8	85.0	90.6	92.3
Electric power consumption (billion kWh)	8.94	9.37	7.89	10.78	9.54	9.65	9.20
Real manufacturing sales (NT\$ billion)	601.2	591.4	588.1	603.5	639.1	677.7	682.6 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	94.6	92.7	94.4	96.3	96.5	99.5	99.0
Nonagricultural employment (1,000)	9,850	9,791	9,760	9,724	9,714	9,714	9,715
Real customs-cleared exports (NT\$ billion)	533.8	465.1	498.0	481.3	539.4	533.0	563.9
Real machineries and electrical equipments imports (NT\$ billion)	172.8	147.9	154.8	144.0	148.0	154.9	155.1

Note : p: Preliminary.

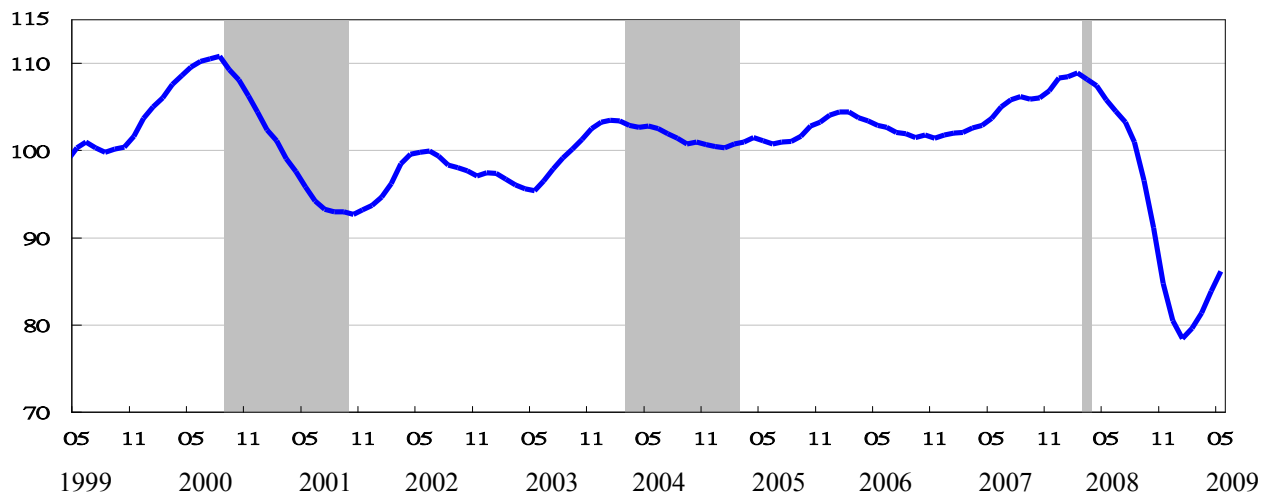
## Composite Indices of Cyclical Indicators



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



## Trend-adjusted composite coincident index



Shaded areas represent recessions.

## Monitoring Indications

		2008								2009					
		5	6	7	8	9	10	11	12	1	2	3	4	5	
Total	Light														
	Score	22	20	16	18	12	12	11	9	9	10	10	11	12	
Monetary Aggregates M1B															12.7
Direct and Indirect Finance															0.7
Stock Price Index															-26.1
Industrial Production Index															-17.9
Nonagricultural Employment															-1.8
Exports															-26.2
Imports of Machinery and Electrical Equipment															-24.8
Manufacturing Sales															-28.7 <sub>1</sub>
Wholesale, Retail and Food Services Sales															-2.3

● 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.