

Taiwan Business Indicators in June 2009

Press Release

Council for Economic Planning and Development

July 27, 2009

In June 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 4.8 points, the trend-adjusted coincident index also rose by 1.1% 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 97.9, up by 1.8% from May. Its annualized six-month rate of change rose by 4.8 points to 8.3%. The increasing leading index mainly came from the positive cyclical movements in average monthly overtime in industry and services, the index of export orders, real monetary aggregates M1B, SEMI book-to-bill ratio, and stock price index.
2. **Coincident Indicators:** With revised data, the coincident index stood at 89.6, up by 1.1% from May. Its trend-adjusted index rose by 1.1% to 88.7. The increasing coincident index largely came from the positive cyclical movements in industrial production index, real customs-cleared exports, the sales index of wholesale, retail, and food services, and real machineries and electrical equipments imports.
3. **The Monitoring Indicators:** The total score in June increased 5 points to 17, changing the overall light signal from "blue" to "yellow-blue". Among the nine components, three showed gains in their individual light signals. Sales index of wholesale, retail and food services gained three points, while monetary aggregates M1B and stock price index each gained one point. The light signals for the rest of six components remained unchanged.

~~ The next release is scheduled for August 27, 2009 ~~

Leading Indicators

Seasonally adjusted

	2008	2009					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	87.9	86.4	88.3	90.7	93.7	96.2	97.9
Change from preceding month (%)	-2.7	-1.8	2.2	2.7	3.3	2.6	1.8
Annualized 6-month rate of change (%)	-22.9	-23.2	-17.6	-10.9	-3.1	3.5	8.3
Change from preceding month (point)	-2.1	-0.3	5.6	6.7	7.8	6.6	4.8
Components							
Index of export orders (2006=100)	89.1	85.8	102.7	105.5	109.2	112.7	121.8
Real monetary aggregates M1B (NT\$ billion)	7,589	7,814	8,054	8,245	8,507	8,774	8,961
Stock price index(1966=100)	4,496	4,475	4,477	4,926	5,724	6,586	6,496
Index of producer's Inventory (2006=100)	114.2	112.2	104.4	103.8	102.5	104.1	104.0 _p
Average monthly overtime in industry and services (hours/month)	4.5	5.0	4.8	4.7	5.3	5.8	5.9 _p
Building Permits * (1000m2)	1,261	1,237	1,128	1,103	1,228	819	961
SEMI Book-to-Bill Ratio	0.86	0.47	0.49	0.56	0.65	0.73	0.77

Note : 1.p=Preliminary.

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

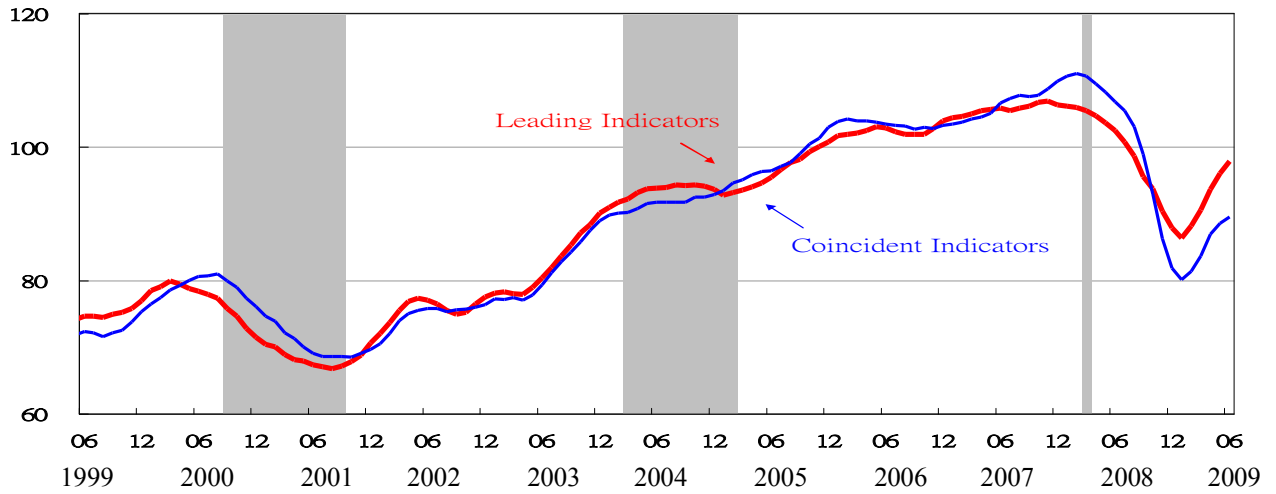
Coincident Indicators

Seasonally adjusted

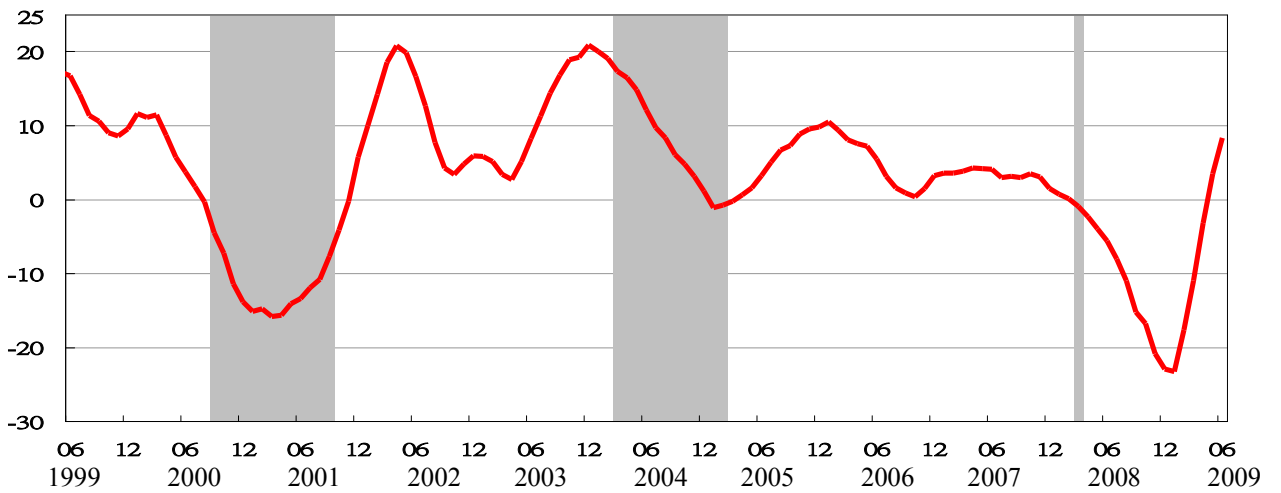
	2008	2009					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	81.9	80.2	81.4	83.7	86.9	88.6	89.6
Change from preceding month (%)	-5.2	-2.1	1.5	2.9	3.9	1.9	1.1
Trend adjusted index	80.9	79.2	80.5	82.8	86.0	87.7	88.7
Change from preceding month (%)	-5.1	-2.1	1.6	2.9	3.9	1.9	1.1
Components							
Industrial production index(2006=100)	77.8	75.4	77.8	85.0	90.6	92.1	96.7
Electric power consumption (billion kWh)	9.36	7.91	10.77	9.58	9.69	9.25	10.24
Real manufacturing sales (NT\$ billion)	590.0	585.2	604.9	637.8	678.1	665.5	665.7 _p
Sales index of wholesale, retail, and food services (2006=100)	92.9	94.5	96.6	96.8	100.0	100.0	103.1
Nonagricultural employment (1,000)	9,791	9,761	9,724	9,713	9,714	9,716	9,723
Real customs-cleared exports (NT\$ billion)	466.3	499.6	483.6	543.1	531.5	567.9	588.1
Real machineries and electrical equipments imports (NT\$ billion)	146.7	153.7	145.7	148.6	156.9	158.3	178.5

Note : p: Preliminary.

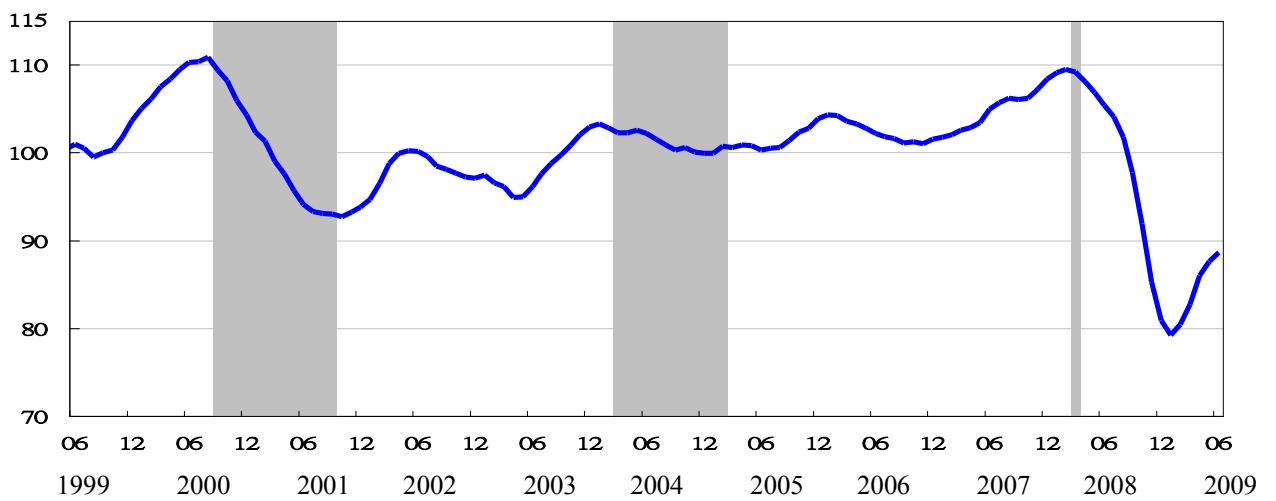
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indications

	2008						2009							
	6	7	8	9	10	11	12	1	2	3	4	5		6
Total	Light													
	Score	20	16	18	12	12	11	9	9	10	10	11	12	17
Monetary Aggregates M1B														16.9
Direct and Indirect Finance														0.5
Stock Price Index														-20.6
Industrial Production Index														-13.9
Nonagricultural Employment														-1.8
Exports														-25.7
Imports of Machinery and Electrical Equipment														-12.4
Manufacturing Sales														-31.3 _p
Wholesale, Retail and Food Services Sales														5.8

● 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.