

## **Taiwan Business Indicators in September 2009**

Press Release

Council for Economic Planning and Development

October 27, 2009

In September 2009, the consecutive improvement of Taiwan Business Indicators provides further evidence of a recovery from serious slowdown in Taiwan. 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 3.3 points, the trend-adjusted coincident index also rose by 2.1% 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 101.0, up by 1.7% from August. Its annualized six-month rate of change rose by 3.3 points to 20.0%. The increasing leading index mainly came from the positive cyclical movements in average monthly overtime in industry and services, SEMI book-to-bill ratio, the index of export orders, building permits, real monetary aggregates M1B, stock price index, and index of producer's inventory.
2. **Coincident Indicators:** With revised data, the coincident index stood at 96.6, up by 1.7% from August. Its trend-adjusted index rose by 2.1% to 101.4. The increasing coincident index mainly came from the positive cyclical movements in electric power consumption, industrial production index, real customs-cleared exports, real machineries and electrical equipments imports, and real manufacturing sales.
3. **The Monitoring Indicators:** The total score in September increased 1 point to 19, flashing the fourth "yellow-blue" signal. Among the nine components, stock price index 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 November 27, 2009 ~~**

## Leading Indicators

Seasonally adjusted

|   | 2009  |       |       |       |       |       |                    |
|---|-------|-------|-------|-------|-------|-------|--------------------|
|   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep                |
| <b>Composite Index</b>  | 88.3  | 90.9  | 93.0  | 95.0  | 97.8  | 99.3  | 101.0              |
| Change from preceding month (%)                                 | 2.3   | 2.8   | 2.4   | 2.1   | 3.0   | 1.5   | 1.7                |
| Annualized 6-month rate of change (%)                           | -13.5 | -6.3  | 0.2   | 5.9   | 13.1  | 16.7  | 20.0               |
| Change from preceding month (point)                             | 6.2   | 7.2   | 6.5   | 5.7   | 7.2   | 3.6   | 3.3                |
| <b>Components</b>   |       |       |       |       |       |       |                    |
| Index of export orders (2006=100)                               | 105.5 | 109.2 | 112.6 | 122.0 | 119.8 | 118.4 | 126.6              |
| Real monetary aggregates M1B (NT\$ billion)                     | 8,245 | 8,507 | 8,774 | 8,962 | 9,105 | 9,237 | 9,362              |
| Stock price index(1966=100)                                     | 4,926 | 5,724 | 6,586 | 6,496 | 6,835 | 6,856 | 7,321              |
| Index of producer's Inventory (2006=100)                        | 103.4 | 102.5 | 104.1 | 101.4 | 100.3 | 100.6 | 100.8 <sub>p</sub> |
| Average monthly overtime in industry and services (hours/month) | 4.8   | 5.4   | 5.9   | 6.1   | 6.7   | 7.4   | 7.4 <sub>p</sub>   |
| Building Permits * (1,000m <sup>2</sup> )                       | 1,131 | 1,230 | 828   | 992   | 1,217 | 1,502 | 1,299              |
| SEMI Book-to-Bill Ratio   | 0.56  | 0.65  | 0.73  | 0.80  | 1.06  | 1.06  | 1.17               |

Note : 1.p=Preliminary.

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

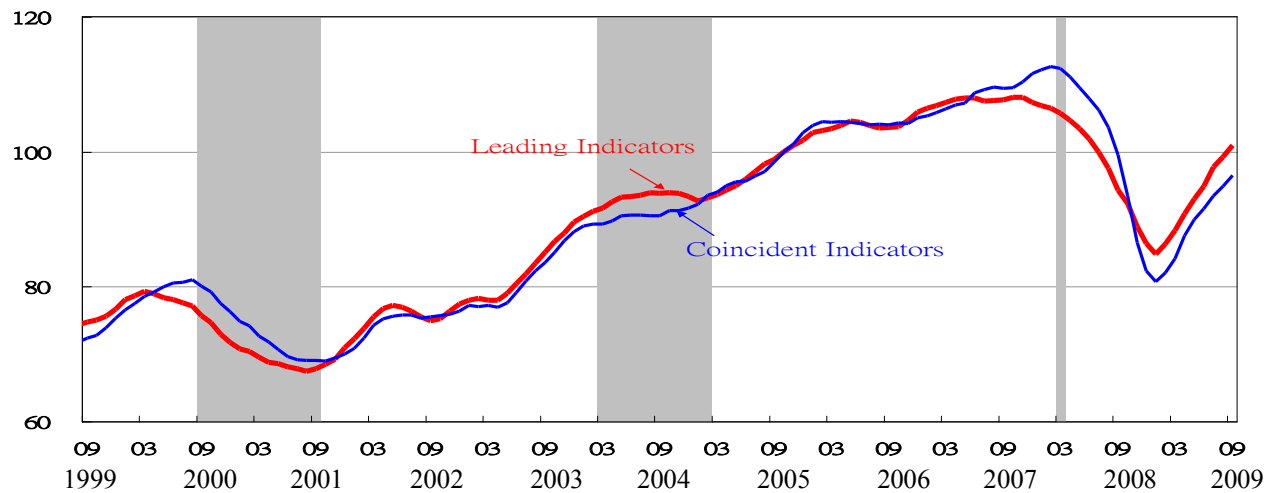
## Coincident Indicators

Seasonally adjusted

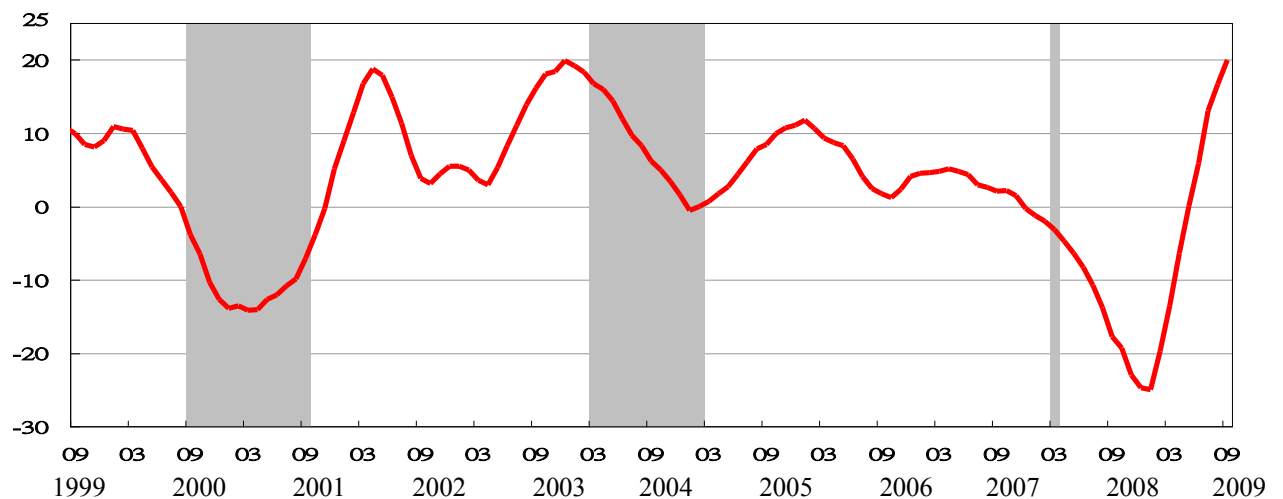
|   | 2009  |       |       |       |       |       |                    |
|---|-------|-------|-------|-------|-------|-------|--------------------|
|   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep                |
| <b>Composite Index</b>  | 84.2  | 87.6  | 90.0  | 91.6  | 93.5  | 94.9  | 96.6               |
| Change from preceding month (%)                                   | 2.7   | 4.0   | 2.8   | 1.8   | 2.1   | 1.5   | 1.7                |
| Trend adjusted index  | 86.5  | 90.3  | 93.1  | 95.1  | 97.5  | 99.3  | 101.4              |
| Change from preceding month (%)                                   | 3.0   | 4.3   | 3.2   | 2.2   | 2.5   | 1.9   | 2.1                |
| <b>Components</b>   |       |       |       |       |       |       |                    |
| Industrial production index(2006=100)                             | 85.0  | 90.6  | 92.1  | 96.7  | 97.5  | 97.3  | 103.7              |
| Electric power consumption (billion kWh)                          | 9.66  | 9.83  | 9.27  | 10.38 | 10.62 | 10.05 | 10.72              |
| Real manufacturing sales (NT\$ billion)                           | 642.7 | 678.9 | 674.6 | 724.0 | 728.8 | 731.9 | 733.0 <sub>p</sub> |
| Sales index of wholesale, retail, and food services (2006=100)    | 97.1  | 100.4 | 100.5 | 104.2 | 105.2 | 104.6 | 104.8              |
| Nonagricultural employment (1,000)                                | 9,714 | 9,712 | 9,712 | 9,719 | 9,703 | 9,701 | 9,724              |
| Real customs-cleared exports (NT\$ billion)                       | 546.3 | 532.0 | 573.2 | 598.2 | 608.7 | 627.5 | 644.4              |
| Real machineries and electrical equipments imports (NT\$ billion) | 147.4 | 157.9 | 161.1 | 180.2 | 171.5 | 176.1 | 187.9              |

Note : p: Preliminary.

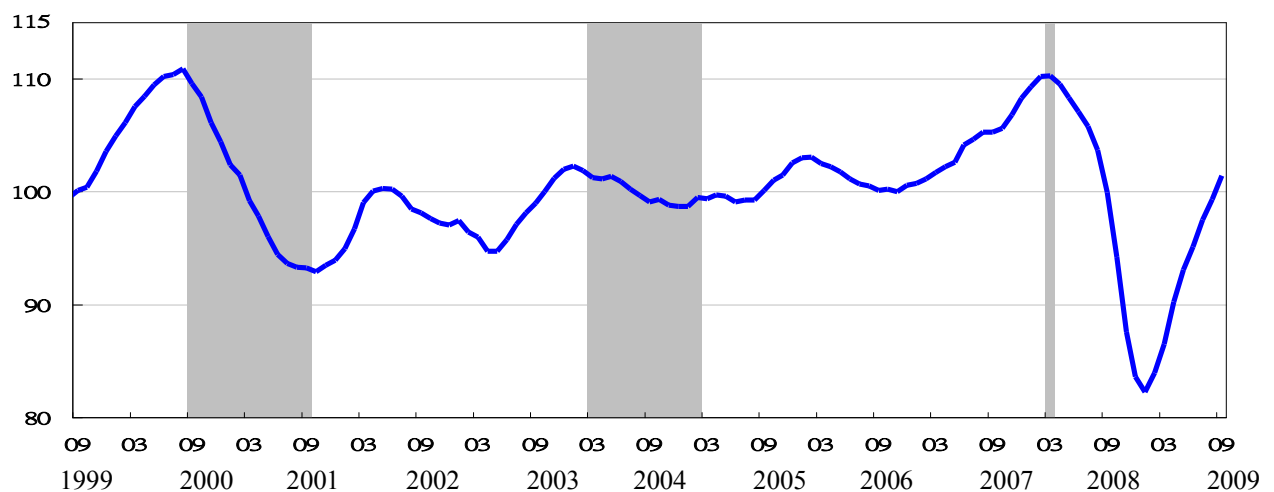
## Composite Indices of Cyclical Indicators



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





































































































































## Trend-adjusted composite coincident index



Shaded areas represent recessions.

## Monitoring Indicators

|   |                | 2008  |   |   |   | 2009  |   |   |  |   |   |   |   |   |
|---|----------------|---|---|---|---|---|---|---|--|---|---|---|---|---|
|   |                | 9   | 10  | 11  | 12  | 1   | 2   | 3   | 4  | 5   | 6   | 7   | 8   | 9   |
| Total   | Light<br>Score |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |                | 12  | 12  | 11  | 9   | 9   | 10  | 10  | 11   | 12  | 17  | 18  | 18  | 19  |
| Monetary Aggregates M1B                       |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Direct and Indirect Finance                   |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Stock Price Index                             |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Industrial Production Index                   |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Nonagricultural Employment                    |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Exports                                       |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Imports of Machinery and Electrical Equipment |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing Sales                           |                |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wholesale, Retail and Food Services Sales     |                |  |  |  |  |  |  |  |  |  |  |  |  |  |

 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.