

Taiwan Business Indicators in November 2009

Press Release

Council for Economic Planning and Development

December 28, 2009

In November 2009, Taiwan Business Indicators indicated that economic conditions have generally improved modestly. 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 decreased 0.3 points, the trend-adjusted coincident index rose by 1.3% from the previous month, and the overall monitoring indicator flashed the "yellow-red" signal.

1. **Leading Indicators:** With revised data, the leading index stood at 102.7, up by 0.7% from October. Its annualized six-month rate of change decreased for the second consecutive month, down by 0.3 points to 19.6%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio and index of producer's inventory had negative cyclical movements from previous month. Average monthly overtime in industry and services, the index of export orders, real monetary aggregates M1B, building permits, and stock price index had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.9, up by 1.1% from October. Its trend-adjusted index rose for the tenth consecutive month, up by 1.3% to 103.8. Except for electric power consumption, all coincident indicators contributed positively to the trend-adjusted index, led mainly by large increase of the cyclical movements in industrial production index, real machineries and electrical equipments imports, real customs-cleared exports, and sales index of wholesale, retail, and food services.
3. **The Monitoring Indicators:** The total score in October was revised downward to 26 from 28, following a revision in manufacturing sales. The total score in November significantly increased 11 points to 37 due to the low base effect in some components, changing the overall light signal from "green" to "yellow-red". Among the nine components,

customs-cleared exports and manufacturing sales gained four points and changed their individual light signal from "blue" to "red". Imports of machineries, electrical equipments gained two points and changed its individual light signal from "green" to "red". Industrial production index gained one point and changed its individual light signal from "yellow-red" to "red". The light signals for the rest of five components remained unchanged.

~~ The next release is scheduled for January 27, 2010 ~~

Leading Indicators

Seasonally adjusted

	2009						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	93.7	95.7	98.6	100.2	101.4	101.9	102.7
Change from preceding month (%)	2.5	2.2	3.1	1.6	1.3	0.5	0.7
Annualized 6-month rate of change (%)	1.6	7.3	14.6	18.2	20.3	19.9	19.6
Change from preceding month (point)	6.6	5.7	7.3	3.6	2.1	-0.4	-0.3
Components							
Index of export orders (2006=100)	112.6	122.0	119.2	118.2	122.7	124.7	129.6
Real monetary aggregates M1B (NT\$ billion)	8,774	8,962	9,106	9,238	9,363	9,632	9,893
Stock price index(1966=100)	6,586	6,496	6,835	6,856	7,321	7,589	7,612
Index of producer's Inventory (2006=100)	104.2	101.6	100.3	100.8	102.1	102.5	102.8 _p
Average monthly overtime in industry and services (hours/month)	5.9	6.1	6.7	7.5	7.5	7.5	7.8 _p
Building Permits * (1,000m ²)	833	997	1,234	1,464	1,385	1,856	1,403
SEMI Book-to-Bill Ratio	0.73	0.80	1.06	1.06	1.17	1.09	1.06

Note : 1.p=Preliminary.

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

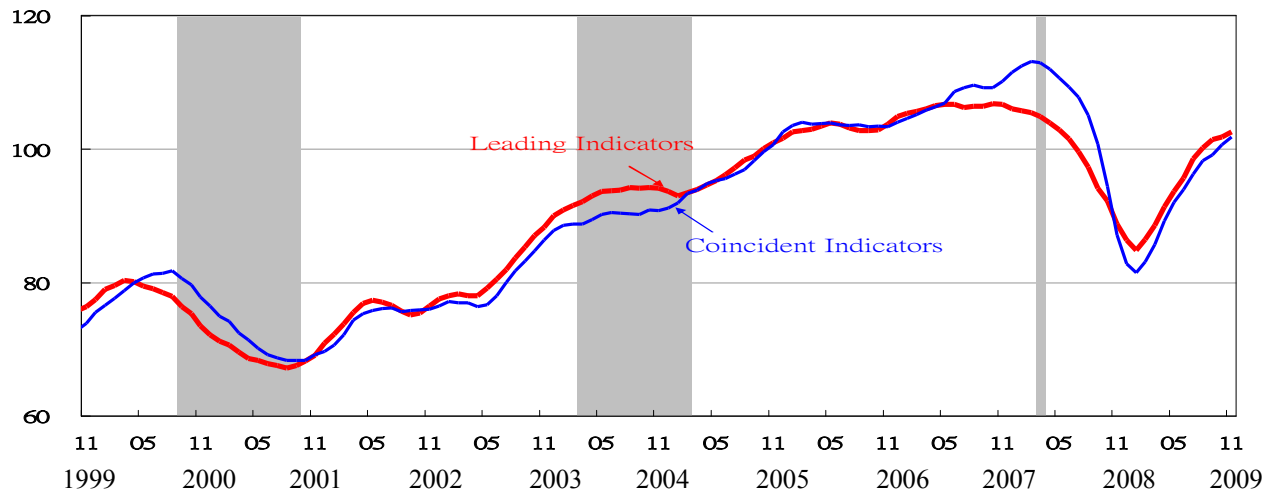
Coincident Indicators

Seasonally adjusted

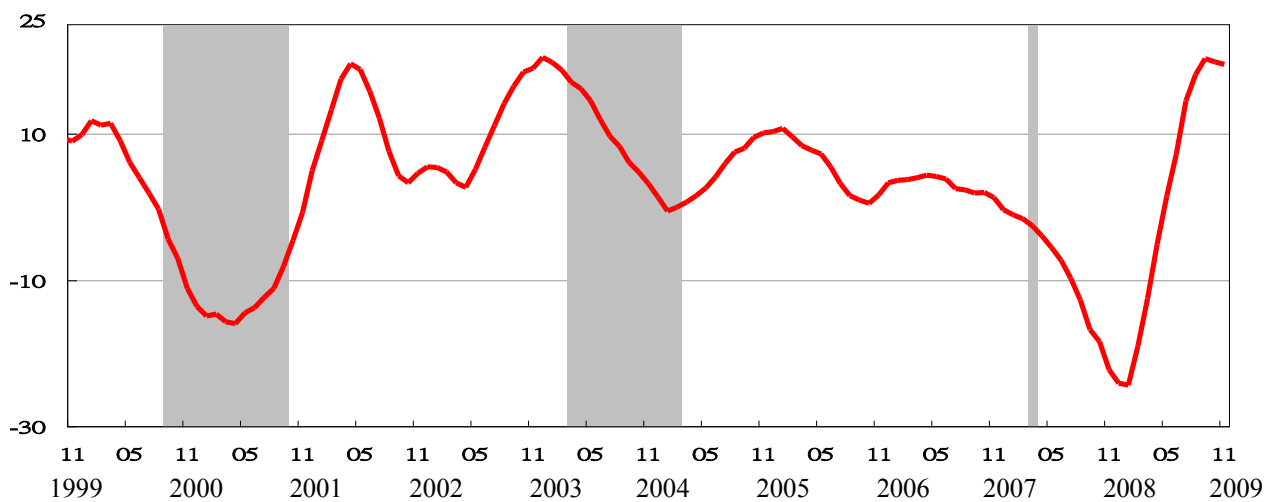
	2009						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	92.1	94.0	96.3	98.3	99.2	100.8	101.9
Change from preceding month (%)	3.1	2.1	2.5	2.1	0.8	1.6	1.1
Trend adjusted index	92.6	94.7	97.3	99.5	100.6	102.4	103.8
Change from preceding month (%)	3.3	2.3	2.7	2.3	1.1	1.8	1.3
Components							
Industrial production index(2006=100)	92.1	96.7	97.5	97.3	104.2	104.1	110.9
Electric power consumption (billion kWh)	9.27	10.40	10.65	10.07	10.74	10.67	9.98
Real manufacturing sales (NT\$ billion)	673.6	723.8	728.9	732.9	748.2	744.9	746.9 _p
Sales index of wholesale, retail, and food services (2006=100)	99.6	104.7	106.1	104.8	106.9	106.9	108.1
Nonagricultural employment (1,000)	9,714	9,724	9,706	9,704	9,732	9,750	9,784
Real customs-cleared exports (NT\$ billion)	573.4	598.7	609.0	627.7	645.2	646.7	639.3
Real machineries and electrical equipments imports (NT\$ billion)	159.7	180.4	173.1	178.9	191.8	206.2	218.0

Note : p: Preliminary.

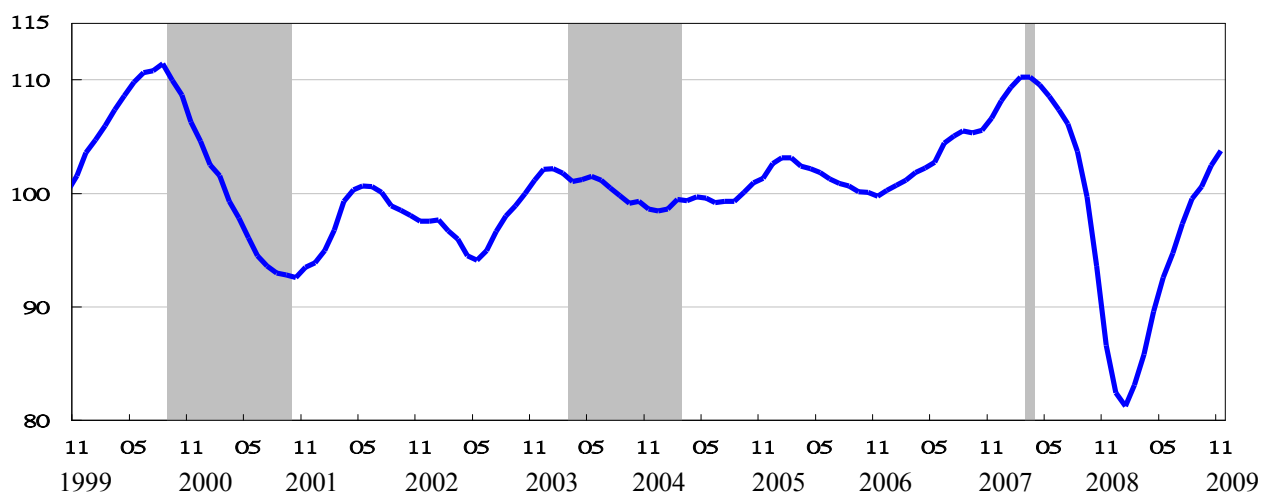
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2008		2009										
		11	12	1	2	3	4	5	6	7	8	9	10	11
Total	Light													
	Score	11	9	9	10	10	11	12	17	18	18	20	26 _r	37
Monetary Aggregates M1B														28.4
Direct and Indirect Finance														0.9
Stock Price Index														68.8
Industrial Production Index														31.2
Nonagricultural Employment														-0.6
Exports														17.4
Imports of Machinery and Electrical Equipment														27.4
Manufacturing Sales														23.9 _r
Wholesale, Retail and Food Services Sales														15.3

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.