

Taiwan Business Indicators in January 2010

Press Release

Council for Economic Planning and Development

February 26, 2010

In January 2010, 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 increased 0.6 points, the trend-adjusted coincident index stood at the same level as previous month, and the overall monitoring indicator flashed the "yellow-red" signal for the third consecutive month.

1. **Leading Indicators:** With revised data, the composite leading index stood at 107.6, up by 1.9% from December 2009. Its annualized six-month rate of change rose by 0.6 points to 21.2%. Among the seven indicators making up the trend-adjusted index, six indicators had positive cyclical movements from previous month, led mainly by large increase of the cyclical movements in average monthly overtime in industry and services, SEMI book-to-bill ratio, index of producer's inventory for manufacturing, and the index of export orders. However, building permits had negative cyclical movement from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 104.6, down by 0.2% from December 2009. Its trend-adjusted index stood at the same level as the previous month. Among the seven indicators making up the trend-adjusted index, industrial production index, real customs cleared exports, real machineries and electrical equipments imports, and nonagricultural employment had positive cyclical movements from previous month. Sales index of wholesale, retail, and food services, electric power consumption, and the index of producer's shipment for manufacturing ¹ had negative cyclical movements from previous month.

¹ Since January 2010, real manufacturing sales has been replaced by the index of producer's shipment for manufacturing.

3. The Monitoring Indicators: The total score recorded 37 in January, the same level of previous month. The overall light signal flashed the "yellow-red" signal for the third consecutive month. Among the nine components, nonagricultural employment gained one point and changed its individual light signal from "blue" to "yellow-blue", sales index of wholesale, retail and food services lost one point and changed its individual light signal from "red" to "yellow-red". The light signals for the rest of seven components remained unchanged.

~~ The next release is scheduled for March 26, 2010 ~~

Leading Indicators

Seasonally adjusted

	2009						2010
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Composite Index	99.9	101.6	103.0	103.5	104.4	105.6	107.6
Change from preceding month (%)	3.1	1.7	1.4	0.5	0.9	1.1	1.9
Annualized 6-month rate of change (%)	15.4	19.2	21.6	21.0	21.0	20.6	21.2
Change from preceding month (point)	7.4	3.8	2.4	-0.5	0.0	-0.4	0.6
Components							
Index of export orders (2006=100)	119.0	118.1	122.6	124.6	129.4	131.8	131.1
Real monetary aggregates M1B (NT\$ billion)	9,130	9,276	9,416	9,641	9,867	9,869	9,995
Stock price index(1966=100)	6,835	6,856	7,321	7,589	7,612	7,837	8,099
Index of producer's Inventory for manufacturing*(2006=100)	100.4	101.0	101.9	102.6	103.3	100.4	99.7 _p
Average monthly overtime in industry and services (hours/month)	6.7	7.5	7.5	7.6	7.9	8.0	8.3 _p
Building Permits ** (1,000m2)	1,249	1,486	1,410	1,829	1,414	1,757	1,478
SEMI Book-to-Bill Ratio	1.06	1.06	1.17	1.09	1.06	1.07	1.20

Coincident Indicators

Seasonally adjusted

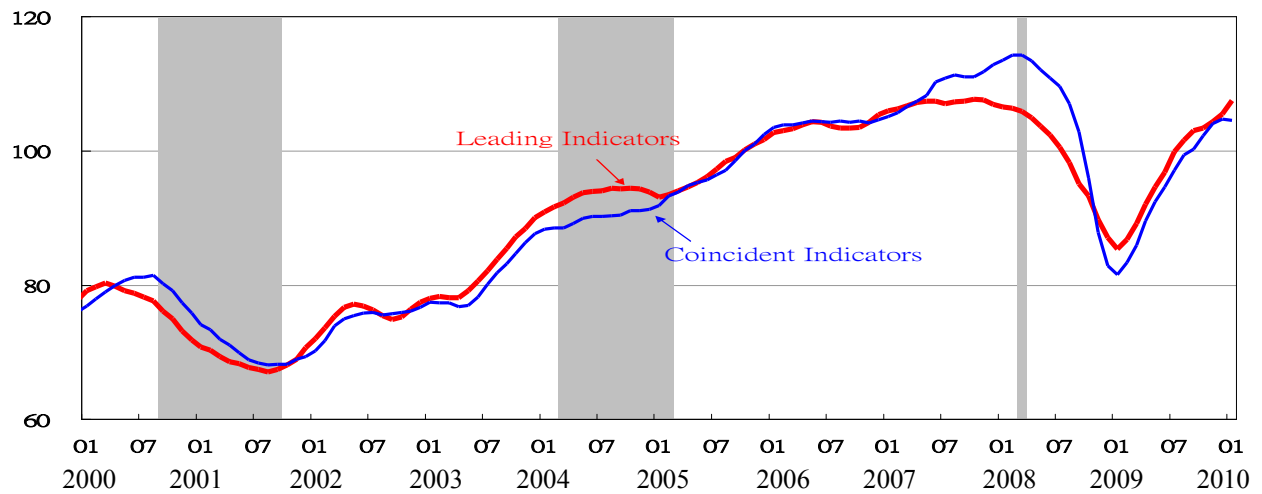
	2009						2010
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Composite Index	97.2	99.5	100.3	102.3	104.1	104.8	104.6
Change from preceding month (%)	2.6	2.4	0.8	2.0	1.8	0.6	-0.2
Trend adjusted index	96.7	99.1	100.2	102.4	104.4	105.3	105.3
Change from preceding month (%)	2.9	2.6	1.0	2.2	2.0	0.8	0.0
Components							
Industrial production index(2006=100)	99.4	99.6	106.6	106.2	112.0	117.1	118.4
Electric power consumption (billion kWh)	10.67	10.09	10.77	10.69	9.98	10.74	10.61
Index of producer's shipment for manufacturing (2006=100)	105.7	106.1	110.5	109.6	112.2	114.6	112.1 _p
Sales index of wholesale, retail, and food services (2006=100)	106.2	104.8	106.8	106.6	107.5	107.5	100.7
Nonagricultural employment (1,000)	9,708	9,707	9,736	9,756	9,789	9,804	9,818
Real customs-cleared exports (NT\$ billion)	609.1	628.5	647.7	655.4	645.2	661.1	694.5
Real machineries and electrical equipments imports (NT\$ billion)	173.3	178.5	193.0	206.9	221.0	226.1	230.7

Note : 1. p=Preliminary.

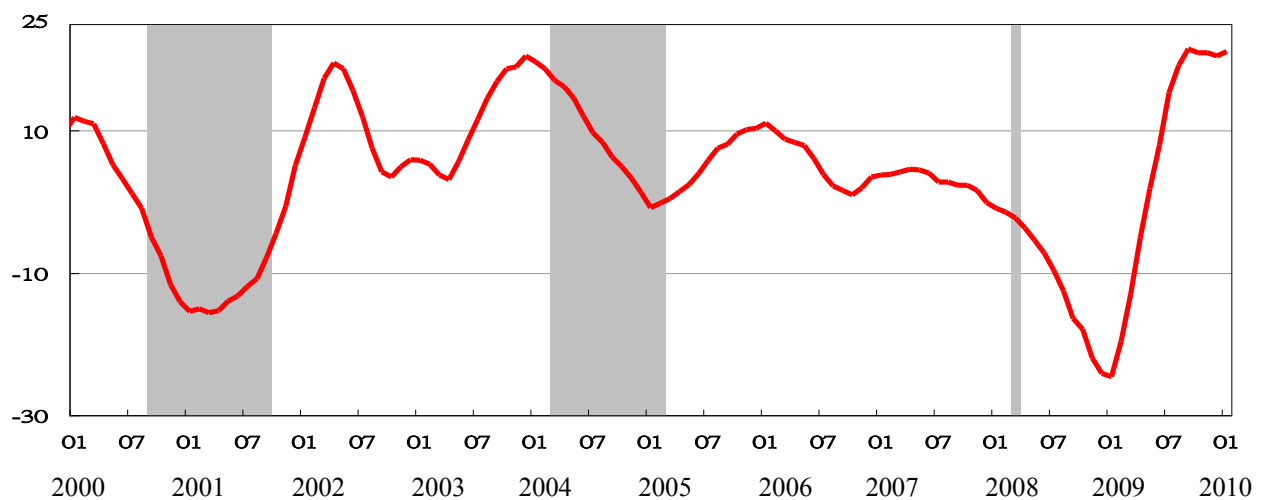
2. * This series is inverted while aggregating composite leading index.

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

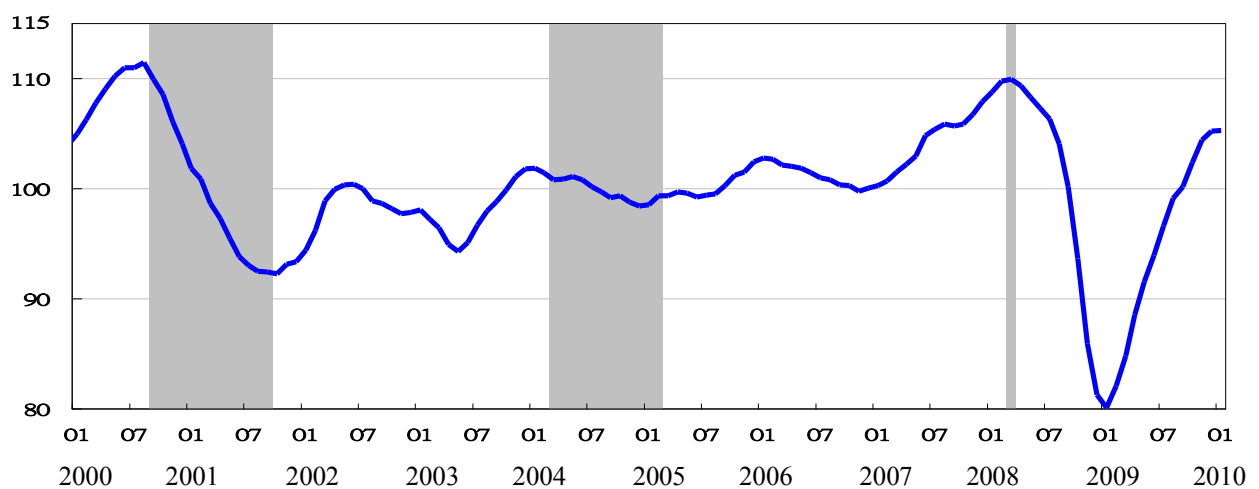
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index





































































































































Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2009												2010
		1	2	3	4	5	6	7	8	9	10	11	12	1
Total	Light													
	Score	9	10	10	11	12	17	18	18	20	26	37	37	37
Monetary Aggregates M1B														 26.9
Direct and Indirect Finance														 1.9
Stock Price Index														 81.0
Industrial Production Index														 54.0
Nonagricultural Employment														 0.7
Exports														 42.1
Imports of Machinery and Electrical Equipment														 41.1
Manufacturing Sales														 48.2 _p
Wholesale, Retail and Food Services Sales														 7.8

 Booming
  Transitional
  Stable
  Transitional
  Sluggish

*C components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.