

Taiwan Business Indicators in April 2010

Press Release

Council for Economic Planning and Development

May 27, 2010

In April 2010, Taiwan Business Indicators indicated that economy has been picking up steadily. 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 2.8 points, the trend-adjusted coincident index rose by 0.3 % from the previous month, and the overall monitoring indicator flashed the "red" signal for the fourth consecutive month.

1. **Leading Indicators:** With revised data, the composite leading index stood at 109.6, up by 0.4% from March. Its annualized six-month rate of change declined by 2.8 points to 13.4%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, real monetary aggregates M1B, index of export orders, and index of producer's inventory for manufacturing had negative cyclical movement from previous month. Average monthly overtime in industry and services, building permits, and stock price index had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 110.1, up by 0.2% from March. Its trend-adjusted index rose by 0.3% to 109.2, increasing for the fifteenth consecutive month. Among the seven indicators making up the trend-adjusted index, real customs-cleared exports, real imports of machineries and electrical equipments, electric power consumption, sales index of wholesale, retail, and food services, and nonagricultural employment had positive cyclical movement from previous month. Industrial production index and the index of producer's shipment for manufacturing had negative cyclical movements from previous month.
3. **The Monitoring Indicators:** The total score recorded 39 in April, remaining at the same level of March. The overall light signal was flashing the "red" signal for the fourth consecutive month. Among the nine components, direct and indirect finance 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 June 28, 2010 ~~

Leading Indicators

Seasonally adjusted

	2009			2010			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	103.5	104.7	106.4	108.5	108.9	109.2	109.6
Change from preceding month (%)	0.5	1.1	1.7	1.9	0.4	0.2	0.4
Annualized 6-month rate of change (%)	21.7	22.2	22.9	23.3	19.8	16.2	13.4
Change from preceding month (point)	-0.5	0.4	0.7	0.4	-3.5	-3.6	-2.8
Components							
Index of export orders (2006=100)	124.6	129.4	131.8	132.0	137.6	134.7	132.0
Real monetary aggregates M1B (NT\$ billion)	9,605	9,863	9,896	10,030	9,942	9,991	10,013
Stock price index(1966=100)	7,589	7,612	7,837	8,099	7,432	7,775	8,052
Index of producer's Inventory for manufacturing*(2006=100)	102.9	103.6	100.5	99.8	102.6	103.0	103.2 _p
Average monthly overtime in industry and services (hours/month)	7.4	7.7	8.0	8.5	8.7	9.0	9.2 _p
Building Permits ** (1,000m2)	1,798	1,439	1,856	1,463	2,274	2,660	2,098
SEMI Book-to-Bill Ratio	1.09	1.06	1.07	1.23	1.23	1.21	1.13

Coincident Indicators

Seasonally adjusted

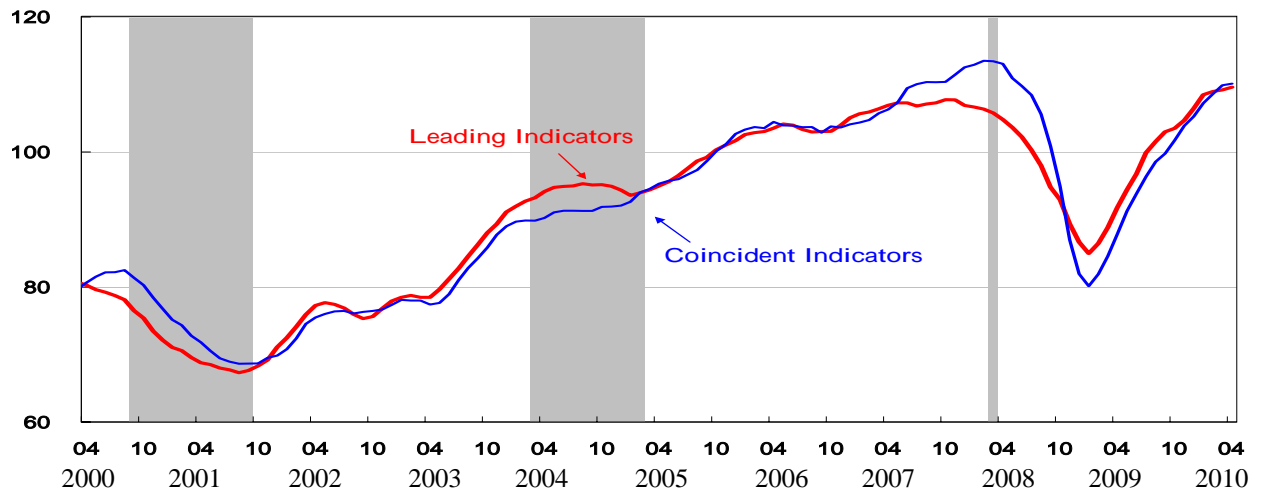
	2009			2010			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	101.7	103.9	105.2	107.2	108.6	109.9	110.1
Change from preceding month (%)	2.0	2.1	1.3	1.9	1.3	1.2	0.2
Trend adjusted index	100.1	102.4	103.8	105.9	107.4	108.8	109.2
Change from preceding month (%)	2.1	2.2	1.4	2.0	1.4	1.3	0.3
Components							
Industrial production index(2006=100)	106.2	112.0	117.1	118.8	123.9	119.9	120.2
Electric power consumption (billion kWh)	10.67	10.11	10.94	10.74	10.98	11.46	10.96
Index of producer's shipment for manufacturing (2006=100)	110.0	112.9	115.6	117.0	119.9	119.6	119.1 _p
Sales index of wholesale, retail, and food services (2006=100)	106.6	107.5	107.5	101.5	105.3	106.0	105.9
Nonagricultural employment (1,000)	9,757	9,789	9,809	9,827	9,845	9,871	9,881
Real customs-cleared exports (NT\$ billion)	653.1	646.8	666.7	703.6	706.4	730.7	724.5
Real machineries and electrical equipments imports (NT\$ billion)	207.0	221.7	229.7	237.2	252.6	263.8	264.5

Note : 1. p=Preliminary.

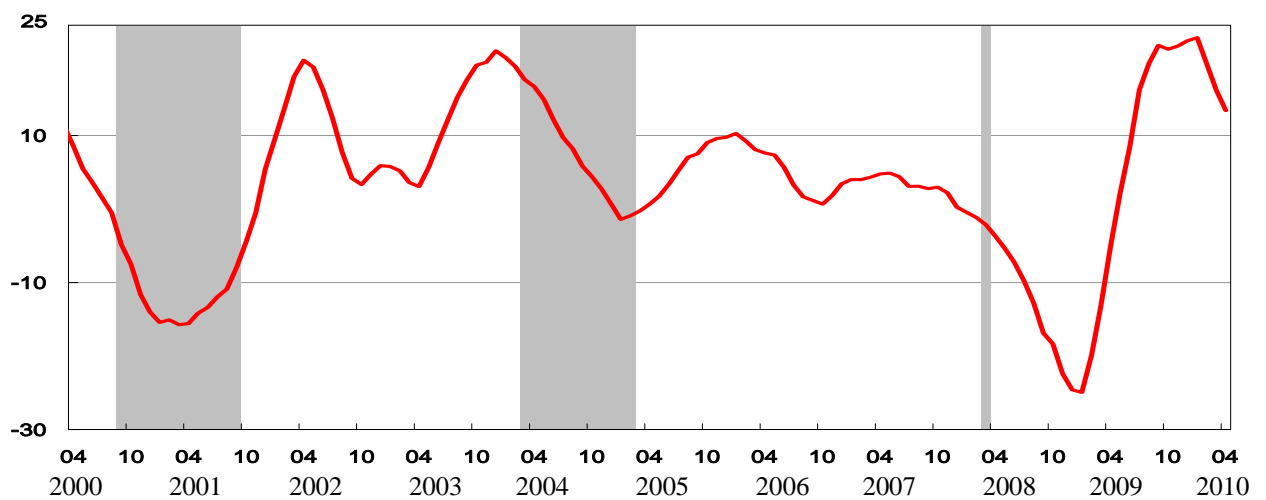
2. * This series is inverted while aggregating composite leading index.

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

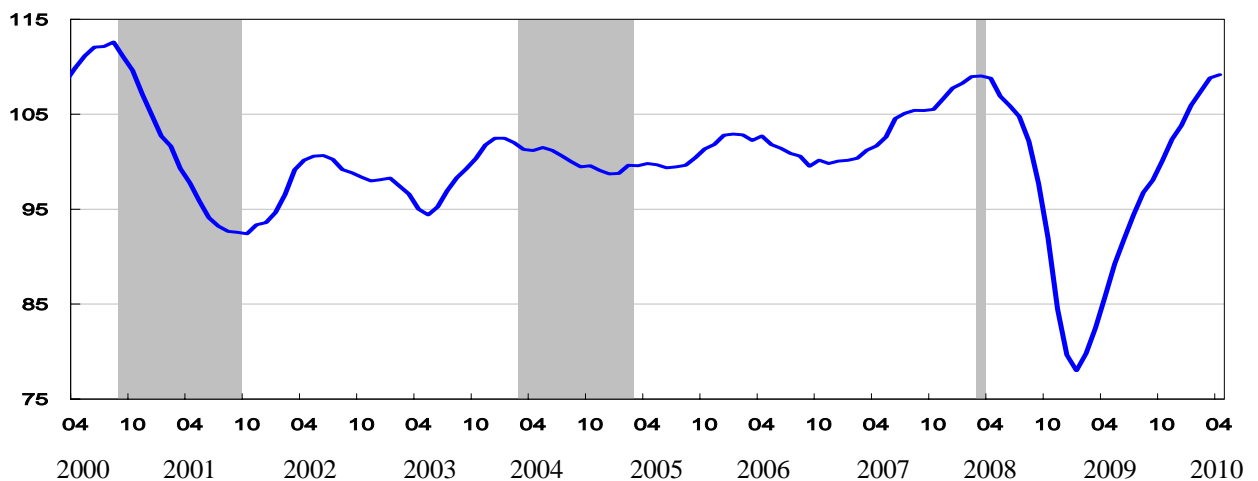
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2009										2010			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Total	Light														
	Score	11	12	17	18	18	20	26	37	37	38	38	39	39	
Monetary Aggregates M1B														18.0	
Direct and Indirect Finance														3.1	
Stock Price Index														40.7	
Industrial Production Index														30.8	
Nonagricultural Employment														1.8	
Exports														38.2	
Imports of Machinery and Electrical Equipment														56.5	
Manufacturing Sales														34.9 _p	
Wholesale, Retail and Food Services Sales														5.6	

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.