

Taiwan Business Indicators in April 2011

Press Release

Council for Economic Planning and Development

May 27, 2011

In April 2011, Taiwan Business Indicators indicated that the economy continued its steady growth. 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 remained at the same level of previous month, the trend-adjusted coincident index decreased by 0.5% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 128.0, up by 0.3% from March. Its annualized six-month rate of change was 3.6%, remaining at the same level of previous month. Among the seven indicators making up the trend-adjusted index, index of producer's inventory for manufacturing (inverted), index of export orders, real monetary aggregates M1B, building permits, stock price index had negative cyclical movements from previous month. SEMI book-to-bill ratio and average monthly overtime in industry and services had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 136.8, up by 0.6% from March. Its trend-adjusted index decreased by 0.5% to 103.7. Among the seven indicators making up the trend-adjusted index, the sales index of wholesale, retail and food services, the industrial production index, electric power consumption, and real machineries and electrical equipments imports had negative cyclical movements from previous month. Nonagricultural employment, real customs-cleared exports, and index of producer's shipment for manufacturing had positive cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 143.3, up by 2.7% from March. Its trend-adjusted index rose by 1.6% to 108.7. All six indicators making up the trend-adjusted index had positive cyclical movements from previous month, which were inventories to sales ratio for manufacturing, unemployment rate

(inverted), the manufacturing unit output labor cost index, loans and investments of major financial institutions, regular employees on payrolls in industry and services, and interbank overnight call-loan rate.

4. The Monitoring Indicators: The total score recorded 31 in April, remaining at the same level of March. The overall light signal was flashing the "green" signal for the second consecutive month. Among the nine components, industrial production index lost 1 point and changed its individual light signal from "red" to "yellow-red", customs cleared exports gained 1 point and changed its individual light signal from "green" to "yellow-red". The light signals for the rest of seven components remained unchanged.

~~ **The next release is scheduled for June 27 2011** ~~

Leading Indicators

	Seasonally adjusted						
	2010			2011			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	125.7	126.1	126.5	126.9	127.3	127.6	128.0
Change from preceding month (%)	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Annualized 6-month rate of change (%)	6.3	5.3	4.6	4.1	3.7	3.6	3.6
Change from preceding month (point)	-1.4	-1.0	-0.7	-0.5	-0.4	-0.1	0.0
Components							
Index of export orders (2006=100)	135.5	138.2	140.4	140.7	136.1	140.2	137.0
Real monetary aggregates M1B (NT\$ billion)	10,488	10,569	10,701	10,742	10,680	10,737	10,629
Stock price index(1966=100)	8,210	8,350	8,777	8,971	8,743	8,575	8,861
Index of producer's Inventory for manufacturing*(2006=100)	110.9	113.2	114.6	117.6	119.0	121.2	121.9 _p
Average monthly overtime in industry and services (hours/month)	8.8	8.8	8.7	8.8	9.3	9.0	9.1 _p
Building Permits ** (1,000m2)	2,304	2,257	2,594	2,613	2,215	2,363	2,589
SEMI Book-to-Bill Ratio	0.98	0.97	0.90	0.85	0.87	0.95	0.98

Note : 1. p=Preliminary.

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

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

Coincident Indicators

Seasonally adjusted

	2010			2011			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	128.6	130.4	132.2	133.8	135.0	136.0	136.8
Change from preceding month (%)	1.3	1.4	1.4	1.2	0.9	0.7	0.6
Trend adjusted index	104.1	104.4	104.7	104.8	104.6	104.2	103.7
Change from preceding month (%)	0.2	0.3	0.3	0.1	-0.2	-0.4	-0.5
Components							
Industrial production index(2006=100)	124.6	132.5	137.0	139.2	138.1	136.8	131.6
Electric power consumption (billion kWh)	11.23	11.24	11.77	11.62	11.42	11.67	11.32
Index of producer's shipment for manufacturing (2006=100)	126.8	130.3	130.8	132.0	135.8	134.7	135.9 _p
Sales index of wholesale, retail, and food services (2006=100)	110.7	110.6	111.0	111.7	108.0	109.9	109.2
Nonagricultural employment (1,000)	10,005	10,020	10,044	10,071	10,103	10,118	10,135
Real customs-cleared exports (NT\$ billion)	751.8	756.1	769.8	779.2	825.2	791.2	825.9
Real machineries and electrical equipments imports (NT\$ billion)	279.0	282.2	289.9	299.0	296.7	293.0	282.1

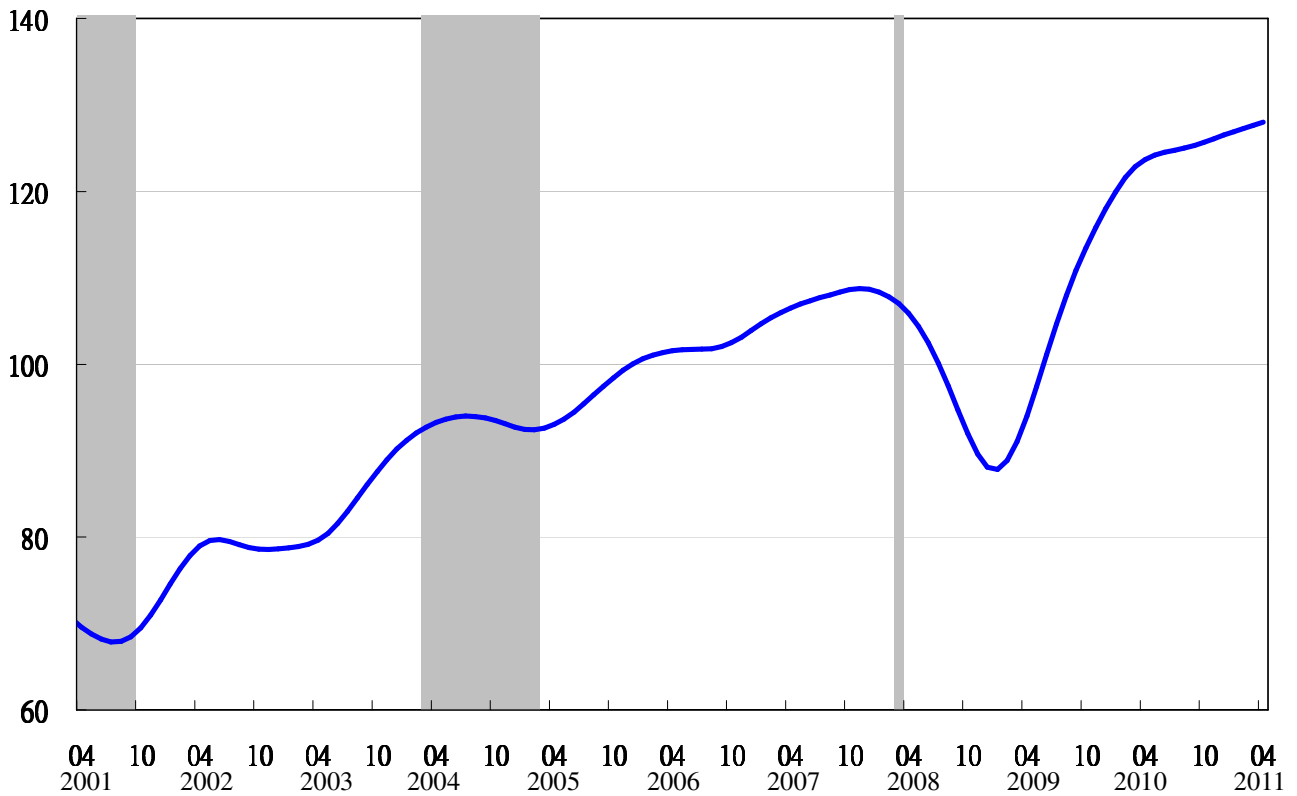
Lagging Indicators

Seasonally adjusted

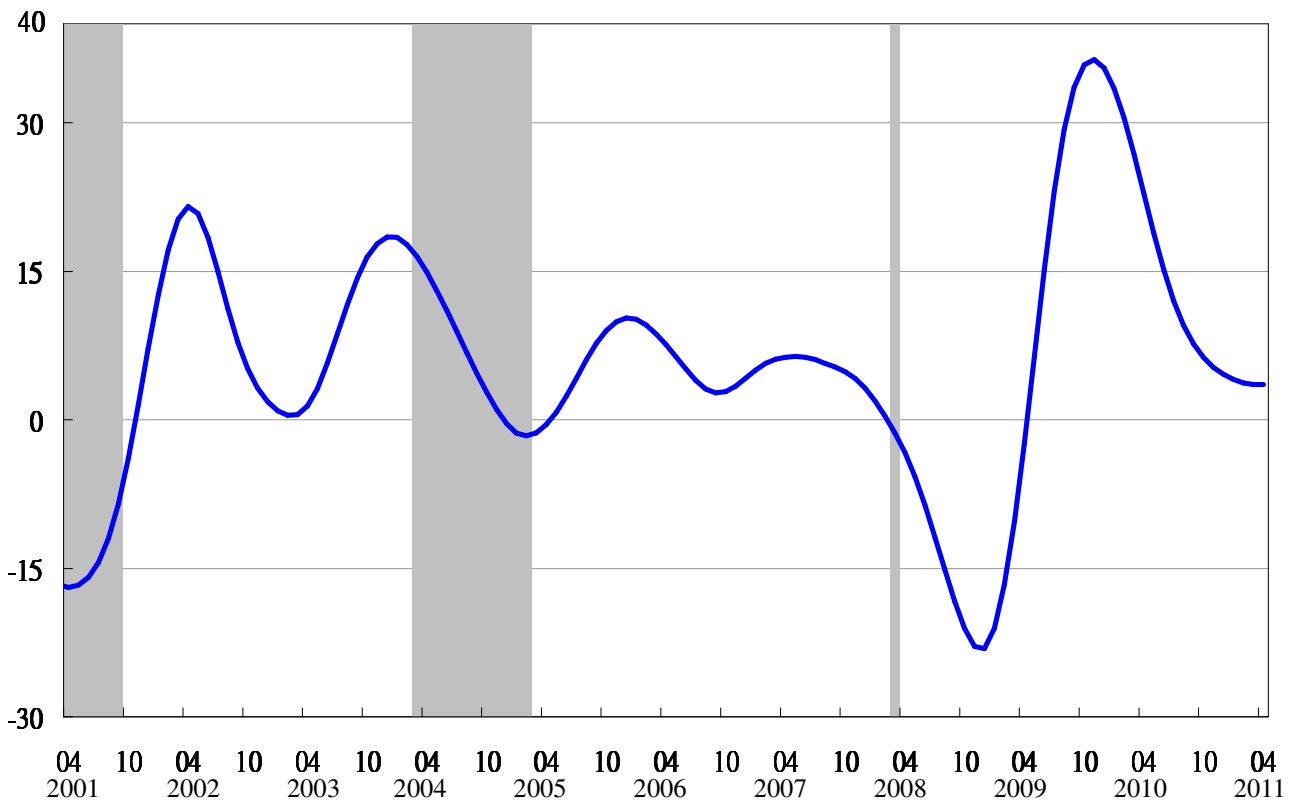
	2010			2011			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	124.7	127.0	129.6	132.6	136.0	139.6	143.3
Change from preceding month (%)	1.8	1.9	2.1	2.3	2.5	2.6	2.7
Trend adjusted index	100.9	101.7	102.7	103.9	105.4	107.0	108.7
Change from preceding month (%)	0.7	0.8	1.0	1.2	1.4	1.5	1.6
Components							
Unemployment rate** (%)	4.96	4.83	4.72	4.71	4.59	4.42	4.35
Regular employees on payrolls in industry & services (Thousand persons)	6,533	6,553	6,572	6,589	6,610	6,635	6,649 _p
The manufacturing unit output labor cost index (index 2006=100)	78.3	77.7	76.2	77.0	78.4	75.4	78.2 _p
Interbank overnight call-loan rate (percent per annum)	0.226	0.231	0.239	0.257	0.262	0.274	0.296
Loans and investments of major financial institutions (NT\$ billion)	22,404	22,578	22,773	23,073	23,187	23,283	23,368
Inventories to sales ratio for manufacturing (%)	59.9	57.0	58.1	58.3	60.9	62.7	64.8 _p

Note : ** This series is inverted while aggregating composite lagging index.

Composite Leading Index

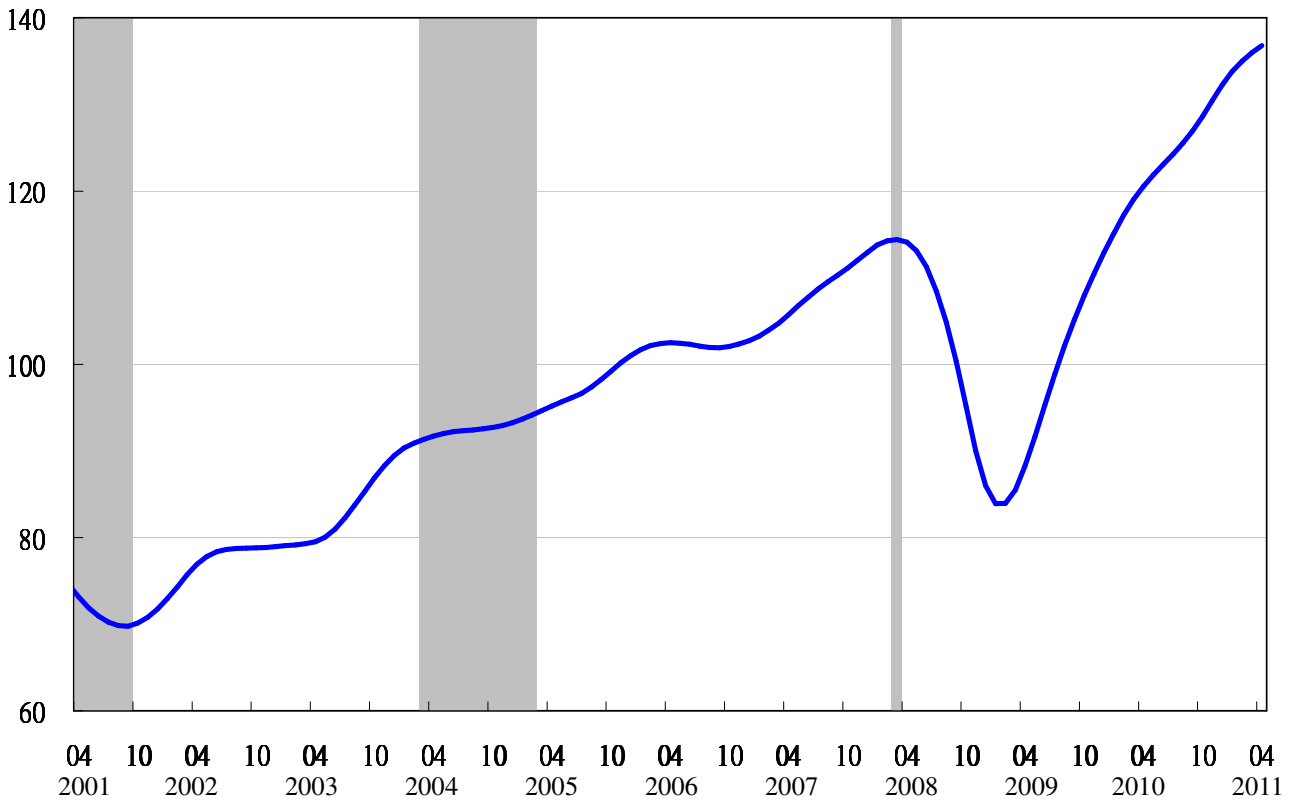


Annualized 6-month rate of change of composite leading index

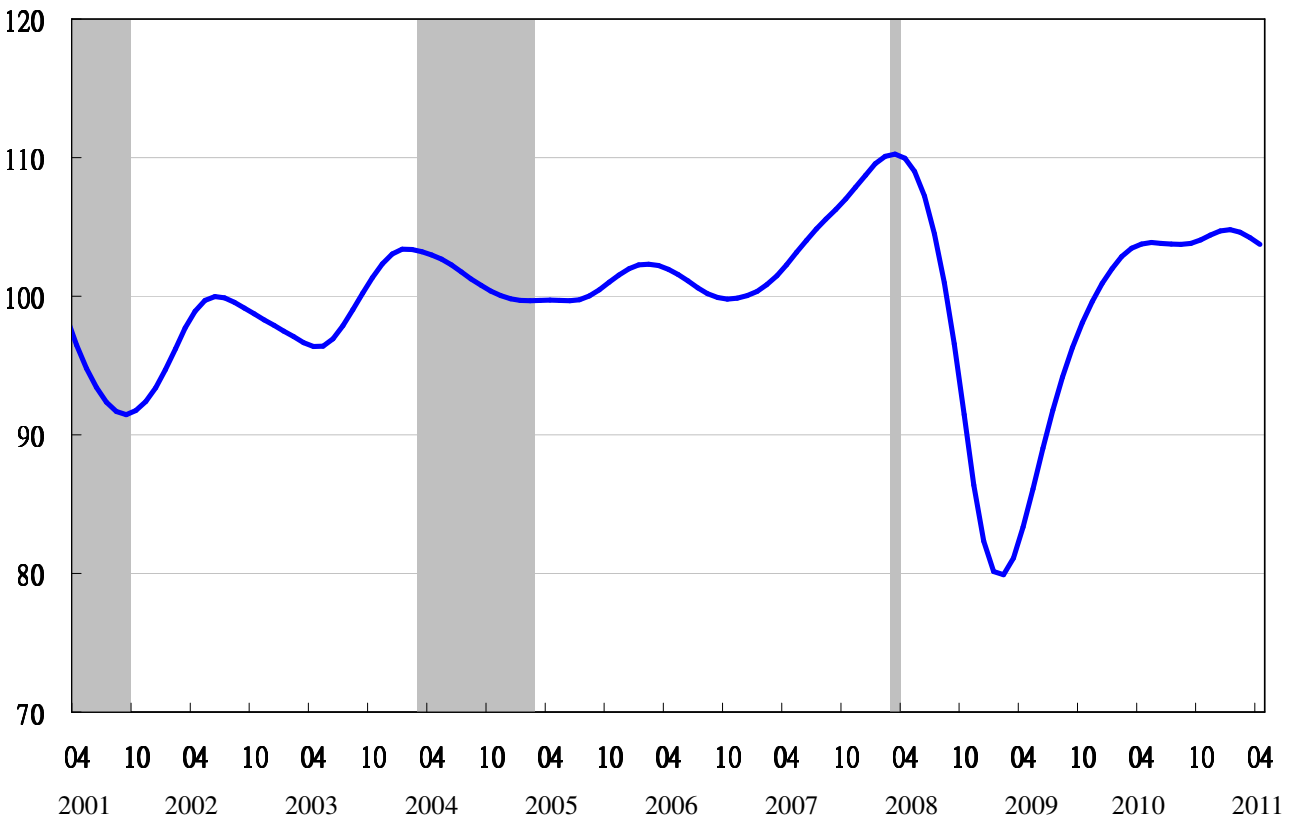


Shaded areas represent recessions.

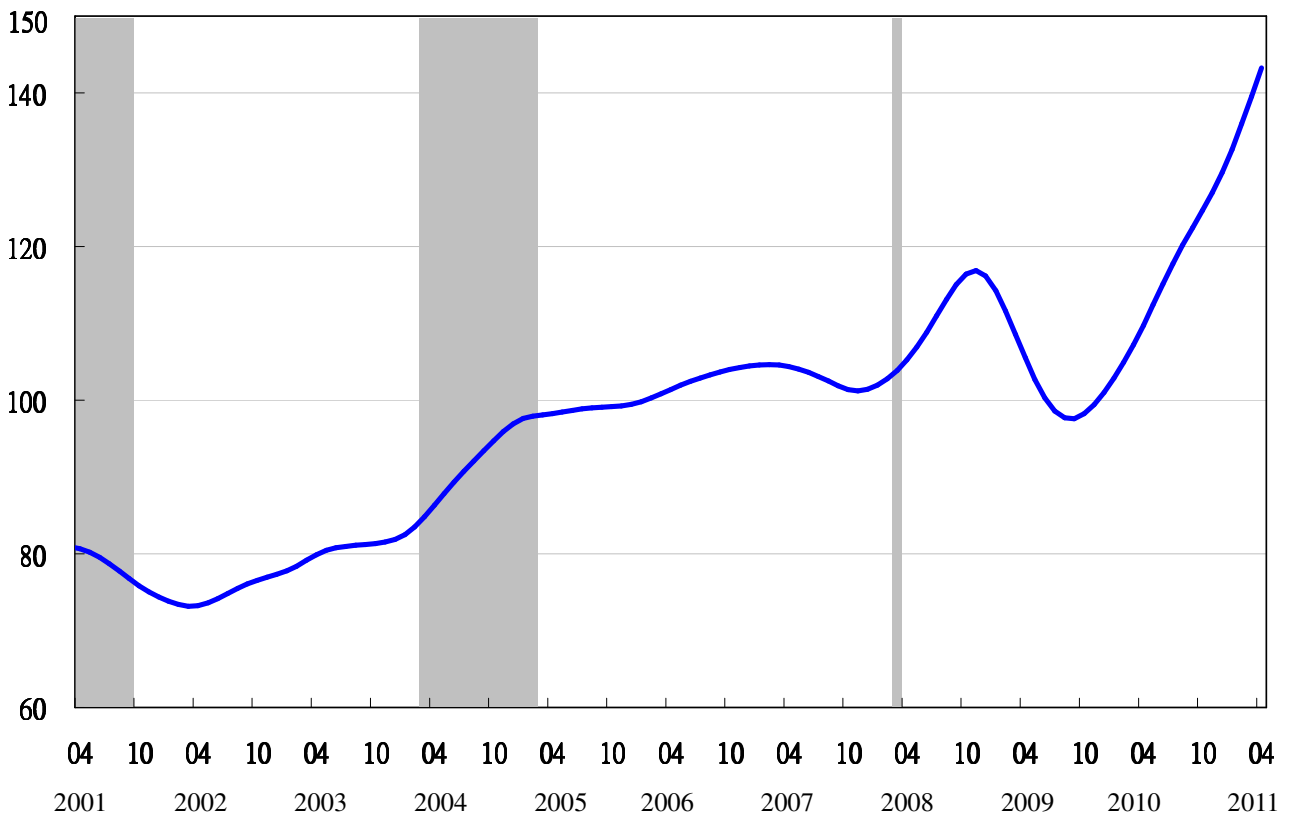
Composite Coincident Index



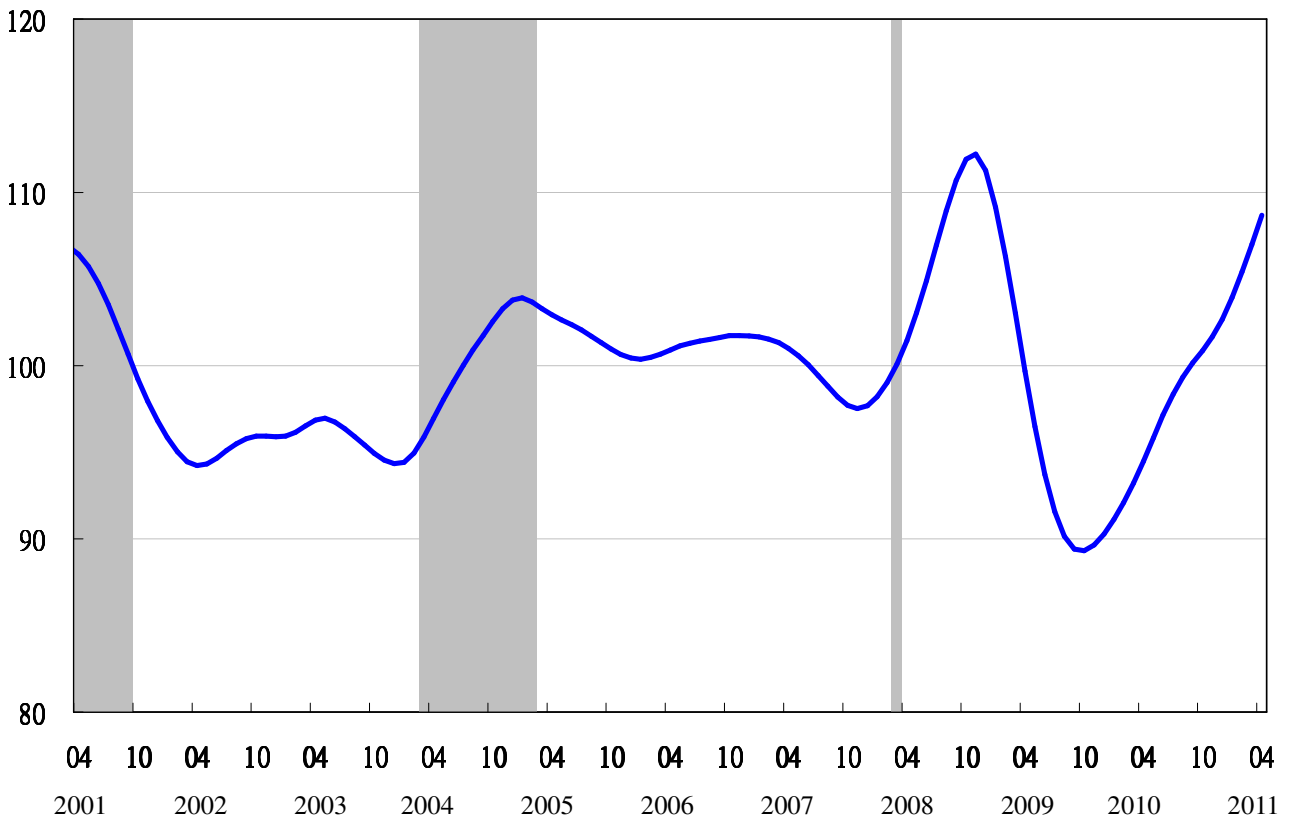
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		2010										2011			
		3	4	5	6	7	8	9	10	11	12	1	2	3	4
Total	Light														
	Score	39	39	37	37	38	38	37	34	32	34	34	34	31	31
Monetary Aggregates M1B															8.3
Direct and Indirect Finance															5.3
Stock Price Index															10.0
Industrial Production Index															8.5
Nonagricultural Employment															2.5
Customs-Cleared Exports															13.9
Imports of Machinery and Electrical Equipment															-2.9
Manufacturing Sales															11.8 _p
Sales Index of Wholesale, Retail and Food Services															2.8

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.