

Taiwan Business Indicators in April 2012

Press Release

Council for Economic Planning and Development

May 28, 2012

In April 2012, although Taiwan Business Indicators still indicated that the economy has many downside risks, the pace of decline in some components moderated. 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 by 0.7 points, the trend-adjusted coincident index decreased by 0.1% from the previous month, and the overall monitoring indicator flashed the "blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 131.4, up by 0.6% from March 2012. Its annualized six-month rate of change increased by 0.7 points to 6.6%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio and stock price index had positive cyclical movements from previous month. Building permits, real monetary aggregates M1B, index of export orders, average monthly overtime in industry and services, index of producer's inventory for manufacturing (inverted) had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 129.5, up by 0.5% from March 2012. Its trend-adjusted index decreased by 0.1% to 95.9. Among the seven indicators making up the trend-adjusted index, index of producer's shipment for manufacturing and electric power consumption had positive cyclical movements from previous month. The sales index of wholesale, retail and food services, real customs-cleared exports, real machineries and electrical equipments imports, nonagricultural employment, and the industrial production index had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 139.7, up by 0.4% from March 2012. Its trend-adjusted index decreased by 0.3% to 103.5. Among the six indicators making up the trend-adjusted index, the interbank overnight call-loan rate, manufacturing unit output labor cost index had positive cyclical movements from previous month. The unemployment rate (inverted),

inventories to sales ratio for manufacturing, regular employees on payrolls in industry and services, loans and investments of monetary financial institutions had negative cyclical movements from previous month.

- The Monitoring Indicators: The total score recorded 14 in April, the same level of previous month. The overall light signal flashed the "blue" signal for the sixth consecutive month. The light signals for all the nine components remained unchanged.

~~ The next release is scheduled for June 27 2012 ~~

Leading Indicators

	Seasonally adjusted						
	2011			2012			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	126.0	126.7	127.7	128.7	129.7	130.6	131.4
Change from preceding month (%)	0.4	0.6	0.8	0.8	0.8	0.7	0.6
Annualized 6-month rate of change (%)	0.4	1.4	2.7	3.9	5.1	6.0	6.6
Change from preceding month (point)	0.6	1.1	1.3	1.2	1.1	0.9	0.7
Components							
Index of export orders (2006=100)	135.2	137.0	137.4	139.7	136.8	137.6	136.4
Real monetary aggregates M1B (NT\$ billion)	10,863	10,883	10,917	10,862	11,027	11,004	10,967
Stock price index(1966=100)	7,345	7,275	6,969	7,177	7,856	8,020	7,621
Index of producer's Inventory for manufacturing*(2006=100)	125.2	124.4	123.4	126.4	125.9	127.9	128.6 _p
Average monthly overtime in industry and services (hours/month)	8.0	8.0	8.0	8.1	8.1	8.0	8.0 _p
Building Permits ** (1,000m2)	2,246	2,427	2,602	2,286	2,297	2,464	2,163
SEMI Book-to-Bill Ratio	0.74	0.83	0.85	0.96	1.01	1.12	1.10

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

	2011			2012			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	128.4	128.0	127.9	128.0	128.2	128.8	129.5
Change from preceding month (%)	-0.4	-0.3	-0.1	0.1	0.2	0.5	0.5
Trend adjusted index	98.7	97.8	97.1	96.5	96.1	96.0	95.9
Change from preceding month (%)	-1.1	-0.9	-0.7	-0.5	-0.4	-0.2	-0.1
Components							
Industrial production index(2006=100)	127.0	125.8	125.6	130.5	122.7	130.0	129.1
Electric power consumption (billion kWh)	11.49	11.85	11.17	12.55	10.25	12.03	11.68
Index of producer's shipment for manufacturing (2006=100)	125.8	125.6	123.2	125.4	120.5	127.0	128.0 _p
Sales index of wholesale, retail, and food services (2006=100)	107.5	106.1	106.1	105.1	109.8	107.2	106.2
Nonagricultural employment (1,000)	10,221	10,217	10,240	10,264	10,274	10,286	10,301
Real customs-cleared exports (NT\$ billion)	804.6	750.2	755.1	749.9	771.0	759.5	769.7
Real machineries and electrical equipments imports (NT\$ billion)	249.6	243.9	249.2	267.0	231.5	251.8	250.5

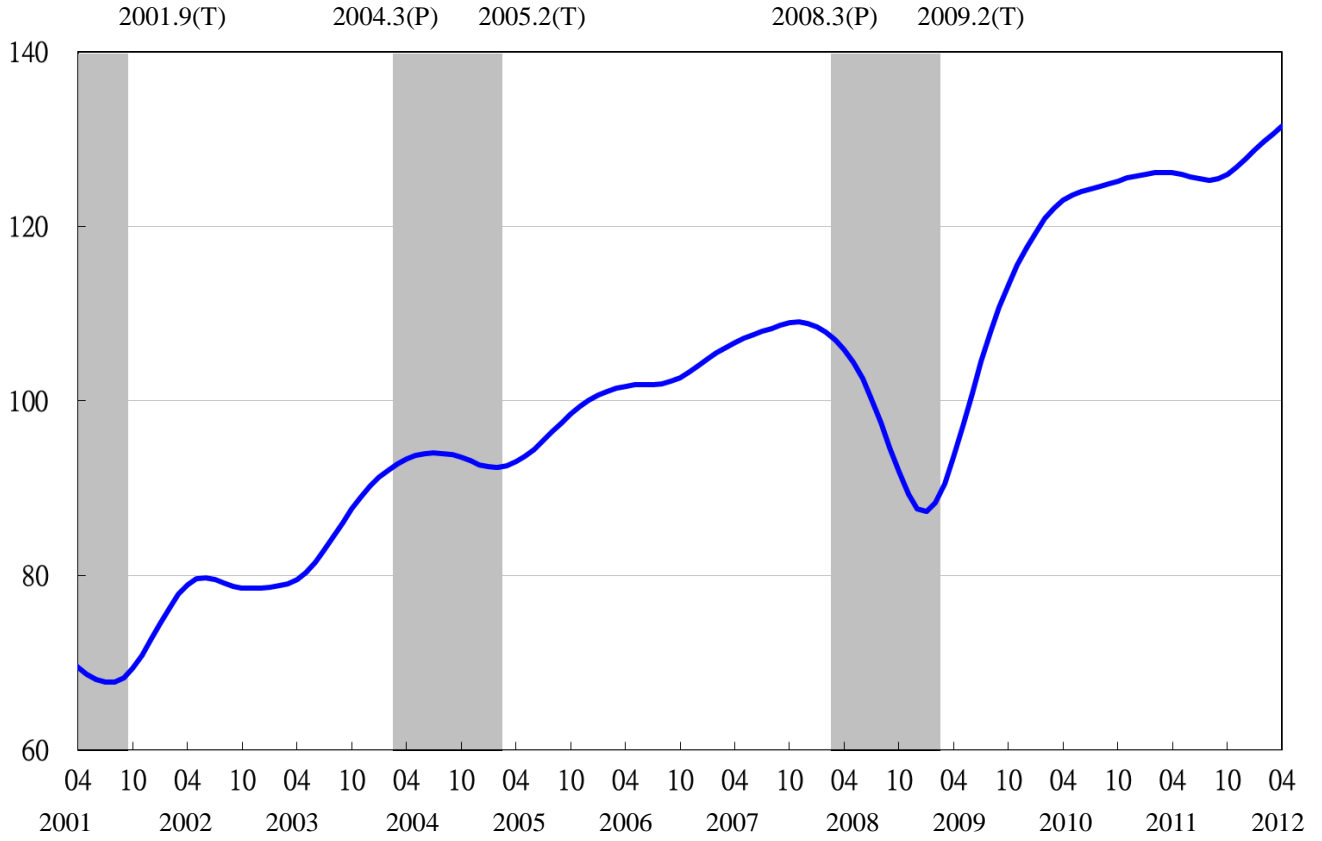
Lagging Indicators

Seasonally adjusted

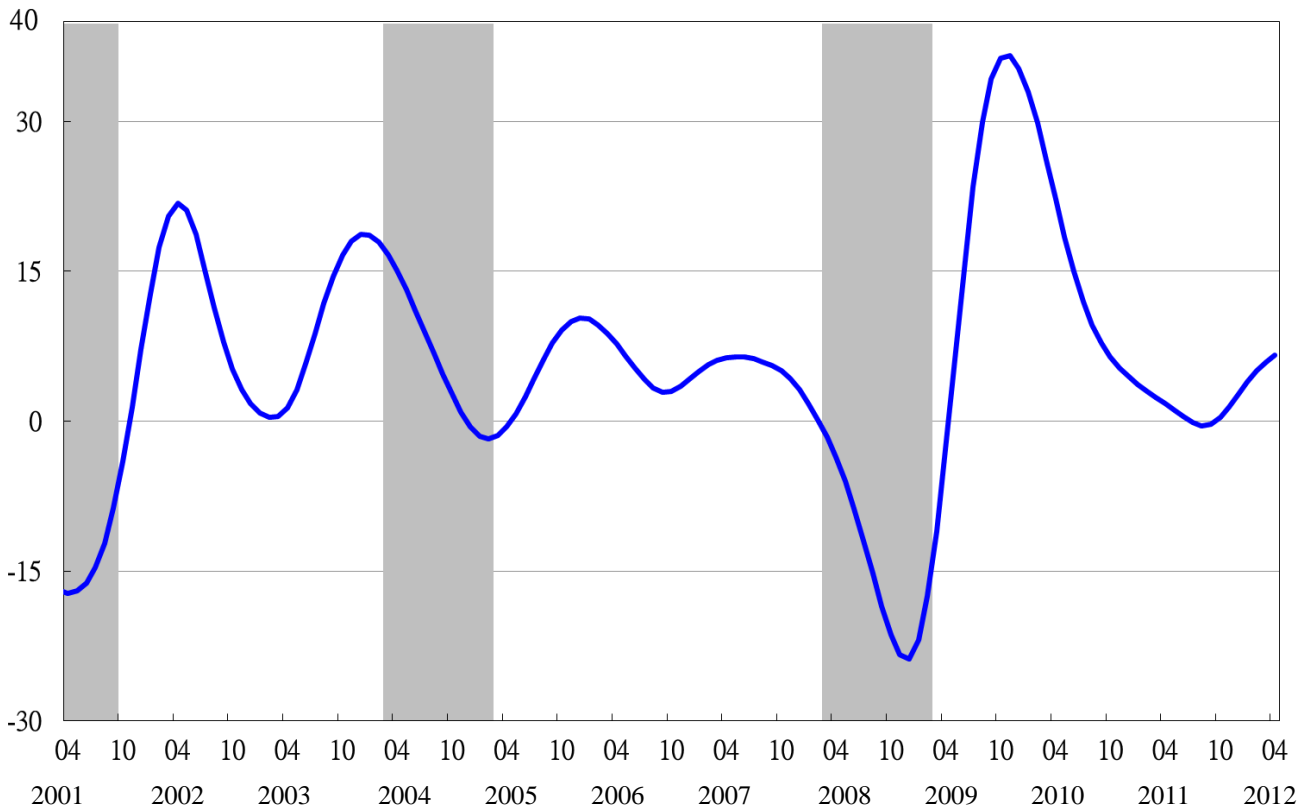
	2011			2012			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	136.2	137.1	137.8	138.3	138.8	139.2	139.7
Change from preceding month (%)	0.8	0.7	0.5	0.4	0.3	0.3	0.4
Trend adjusted index	104.6	104.7	104.6	104.3	104.0	103.7	103.5
Change from preceding month (%)	0.2	0.1	-0.1	-0.3	-0.3	-0.3	-0.3
Components							
Unemployment rate* (%)	4.29	4.29	4.21	4.19	4.15	4.14	4.19
Regular employees on payrolls in industry & services (Thousand persons)	6,715	6,726	6,738	6,748	6,759	6,768	6,774 _p
The manufacturing unit output labor cost index (index 2006=100)	80.2	82.6	86.3	80.9	80.0	81.4	82.0 _p
Interbank overnight call-loan rate (percent per annum)	0.395	0.396	0.400	0.403	0.399	0.402	0.476
Loans and investments of monetary financial institutions (NT\$ billion)	24,059	24,127	24,132	24,244	24,344	24,488	24,631
Inventories to sales ratio for manufacturing (%)	67.0	67.1	68.1	67.0	65.0	67.0	65.8 _p

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

Composite Leading Index

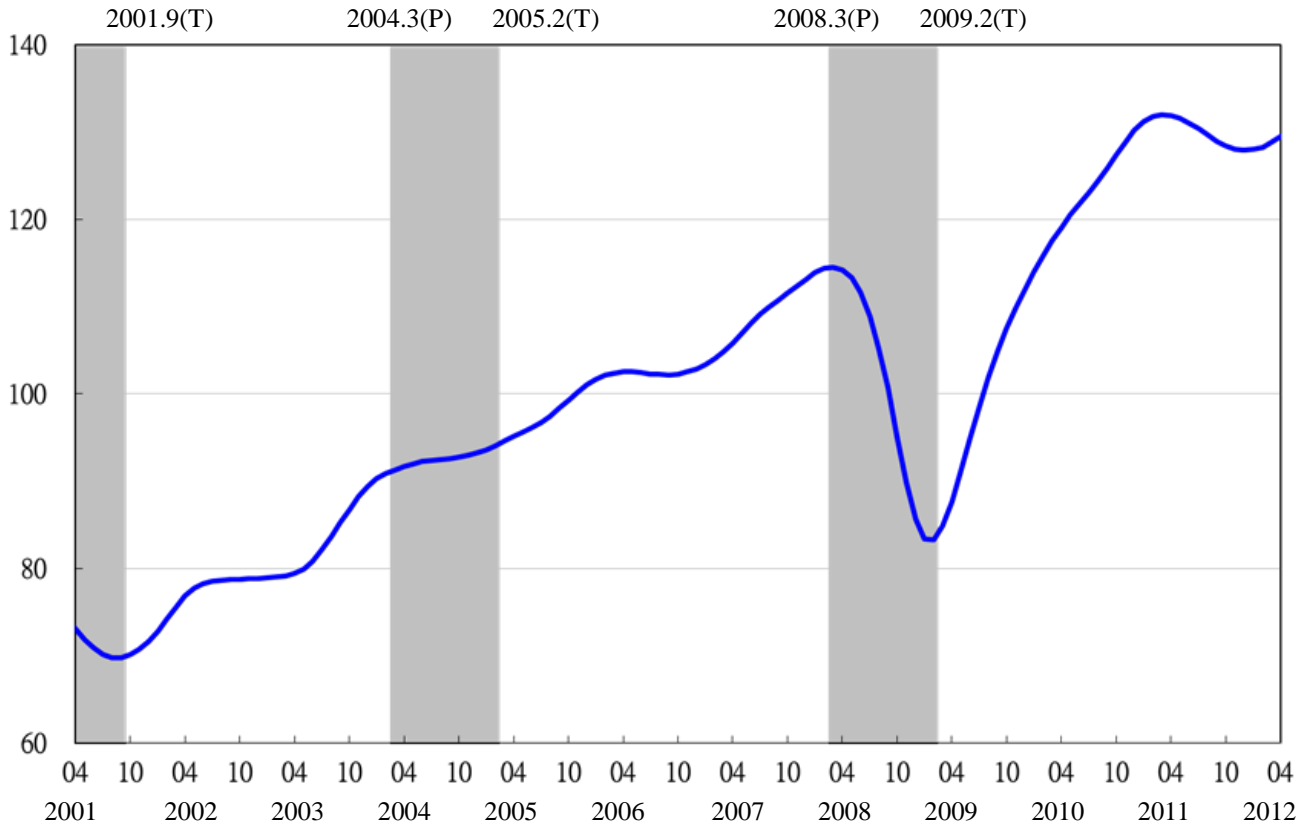


Annualized 6-month rate of change of composite leading index

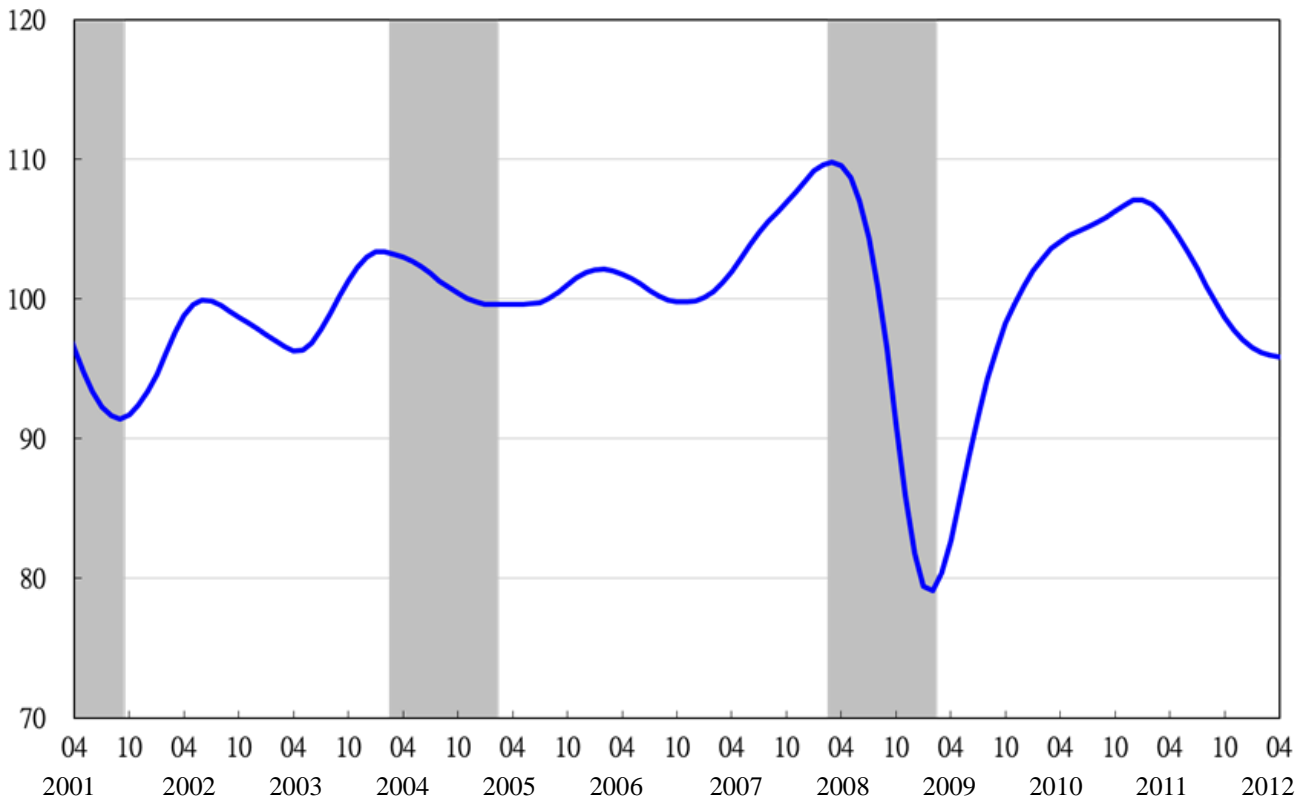


Shaded areas represent recessions.

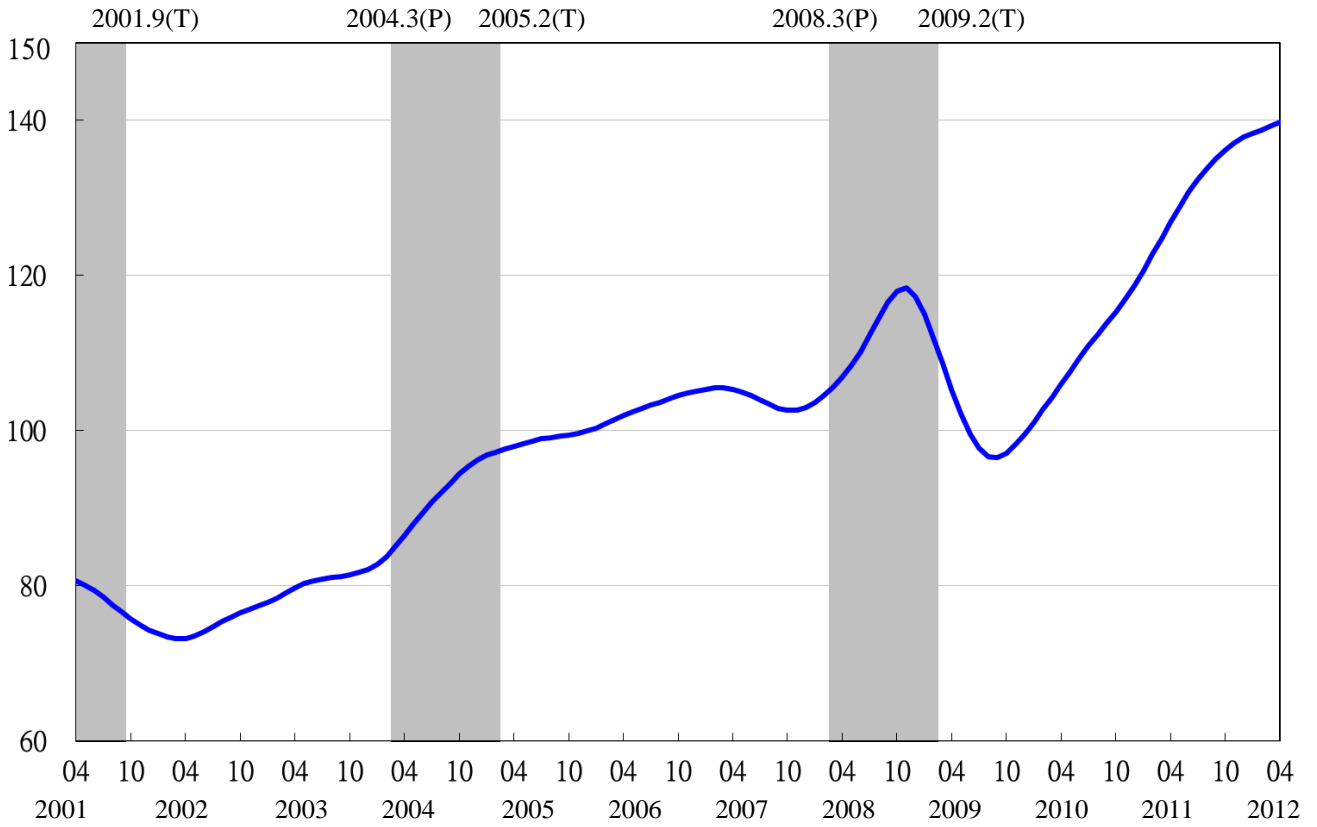
Composite Coincident Index



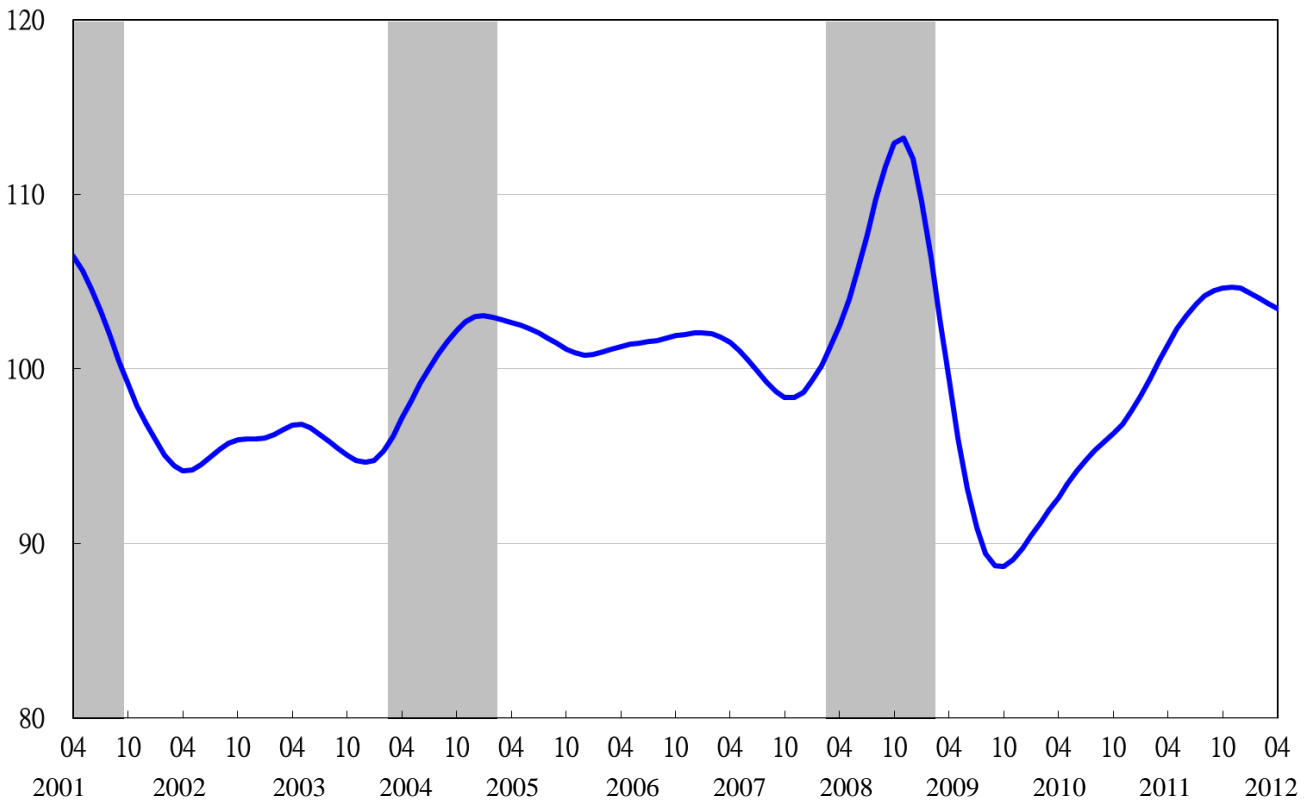
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		2011										2012				
		3	4	5	6	7	8	9	10	11	12	1	2	3	4	
Total	Light															
	Score	31	29	27	25	23	20	21	19	16	14	13	15	14	14	
Monetary Aggregates M1B																4.0
Direct and Indirect Finance																4.8
Stock Price Index																-14.0
Industrial Production Index																-1.8
Nonagricultural Employment																1.7
Customs-Cleared Exports																-5.7
Imports of Machineries and Electrical Equipments																-7.7
Manufacturing Sales																-3.4 _p
Sales Index of Wholesale, Retail and Food Services																-2.9

● 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.