

## **Taiwan Business Indicators in April 2013**

Press Release

Council for Economic Planning and Development

May 27, 2013

In April 2013, Taiwan Business Indicators showed the domestic economy still faced many challenges. 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 0.08 points, the trend-adjusted coincident index decreased by 0.4% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index<sup>1</sup> stood at 103.8, up by 0.4% from March 2013. Its annualized six-month rate of change increased by 0.08 points to 6.53%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, building permits, real monetary aggregates M1B, average monthly overtime in industry and services, stock price index, and index of producer's inventory for manufacturing (inverted) had positive cyclical movements from previous month. Index of export orders had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.2, down by 0.2% from March 2013. Its trend-adjusted index decreased by 0.4% to 97.9. Among the seven indicators making up the trend-adjusted index, real machineries and electrical equipments imports, electric power consumption had positive cyclical movements from previous month. Index of producer's shipment for manufacturing, industrial production index, real customs-cleared exports, nonagricultural employment, and sales index of trade and food services had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 104.8, up by 0.6% from March 2013. Its trend-adjusted index increased by 0.3% to 101.4. Among the six indicators making up the

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<sup>1</sup> In this month's release, histories of the composite indices were revised downward due to the trend adjustment of reference series with the annual benchmark revisions of the source data-industrial production. These revisions do not change the cyclical properties of the business indicators.

trend-adjusted index, the manufacturing unit output labor cost index, inventories to sales ratio for manufacturing, loans and investments of monetary financial institutions had positive cyclical movements from previous month. Unemployment rate (inverted), regular employees on payrolls in industry and services, and interbank overnight call-loan rate had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in April lost one point to 17, flashing the “yellow-blue” signal for the eighth consecutive month. Among the nine components, customs-cleared exports changed its individual light signal from “yellow-blue” to “blue”, lost one point. The light signals for the rest of eight components remained unchanged.

~~ The next release is scheduled for June 27 2013 ~~

### Leading Indicators

	Seasonally adjusted						
	2012			2013			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Composite Index</b>	100.1	100.9	101.7	102.4	102.9	103.4	103.8
Change from preceding month (%)	0.7	0.8	0.8	0.7	0.5	0.4	0.4
Annualized 6-month rate of change (%)	3.5	4.5	5.4	6.0	6.4	6.46	6.53
Change from preceding month (point)	0.8	1.0	0.9	0.6	0.3	0.1	0.08
<b>Components</b>							
Index of export orders (2011=100)	104.3	111.5	112.0	106.9	102.9	100.0	102.7
Real monetary aggregates M1B (NT\$ billion)	11,795	11,865	11,945	11,995	11,965	12,201	12,225
Stock price index(1966=100)	7,438	7,256	7,631	7,759	7,933	7,907	7,893
Index of producer's Inventory for manufacturing*(2011=100)	108.5	107.5	108.5	108.2	108.3	110.4	110.4 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	8.2	8.1	8.1	8.2	8.5	8.3	8.3 <sub>p</sub>
Building Permits ** (1,000m <sup>2</sup> )	2,465	2,687	2,250	2,733	2,895	2,320	3,028
SEMI Book-to-Bill Ratio	0.75	0.79	0.92	1.11	1.10	1.11	1.08

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

	2012			2013			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Composite Index</b>	101.5	101.6	101.7	101.7	101.6	101.4	101.2
Change from preceding month (%)	0.2	0.1	0.1	0.0	-0.1	-0.2	-0.2
Trend adjusted index	99.5	99.4	99.3	99.1	98.7	98.3	97.9
Change from preceding month (%)	-0.0	-0.1	-0.1	-0.2	-0.4	-0.4	-0.4
<b>Components</b>							
Industrial production index(2011=100)	100.7	101.7	99.5	101.7	100.1	99.2	98.2
Electric power consumption (billion kWh)	11.90	11.59	10.97	12.00	11.71	11.33	11.79
Index of producer's shipment for manufacturing (2011=100)	101.4	100.4	99.2	101.4	97.4	95.0	96.0 <sub>p</sub>
Sales index of trade and food services (2006=100)	109.9	111.4	111.7	110.5	109.9	109.6	110.9
Nonagricultural employment (1,000)	10,352	10,356	10,372	10,381	10,401	10,406	10,411
Real customs-cleared exports (NT\$ billion)	776.5	759.2	787.3	775.8	751.1	778.7	763.7
Real machineries and electrical equipments imports* (NT\$ billion)	190.7	181.3	204.1	217.4	210.2	210.2	205.7

Note : \*Due to the original statistical bureau no longer compiling "electronic machinery" import price index, this deflator has replaced with "machinery, electrical equipment, TV image & sound recorders, etc." import price index starting from January 2013.

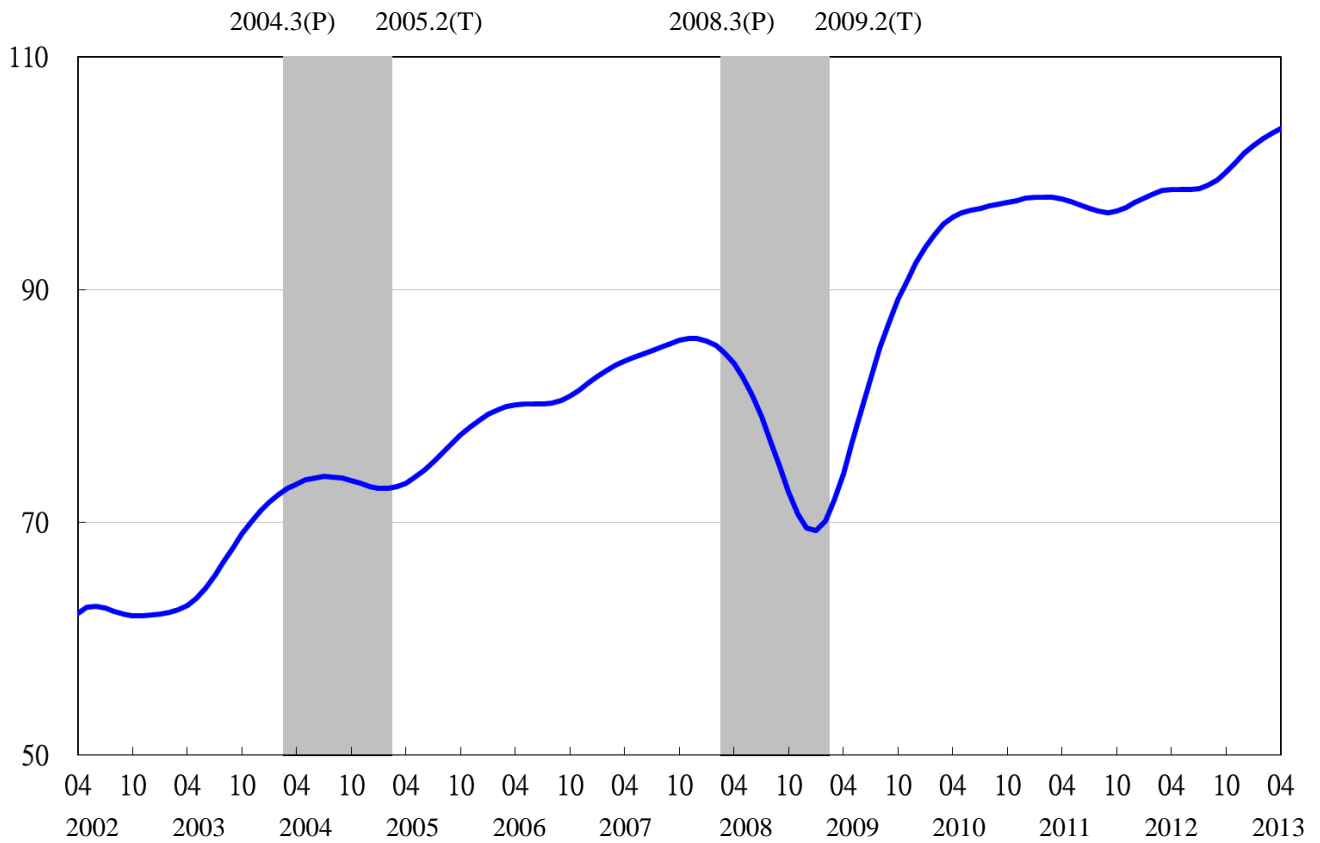
## Lagging Indicators

Seasonally adjusted

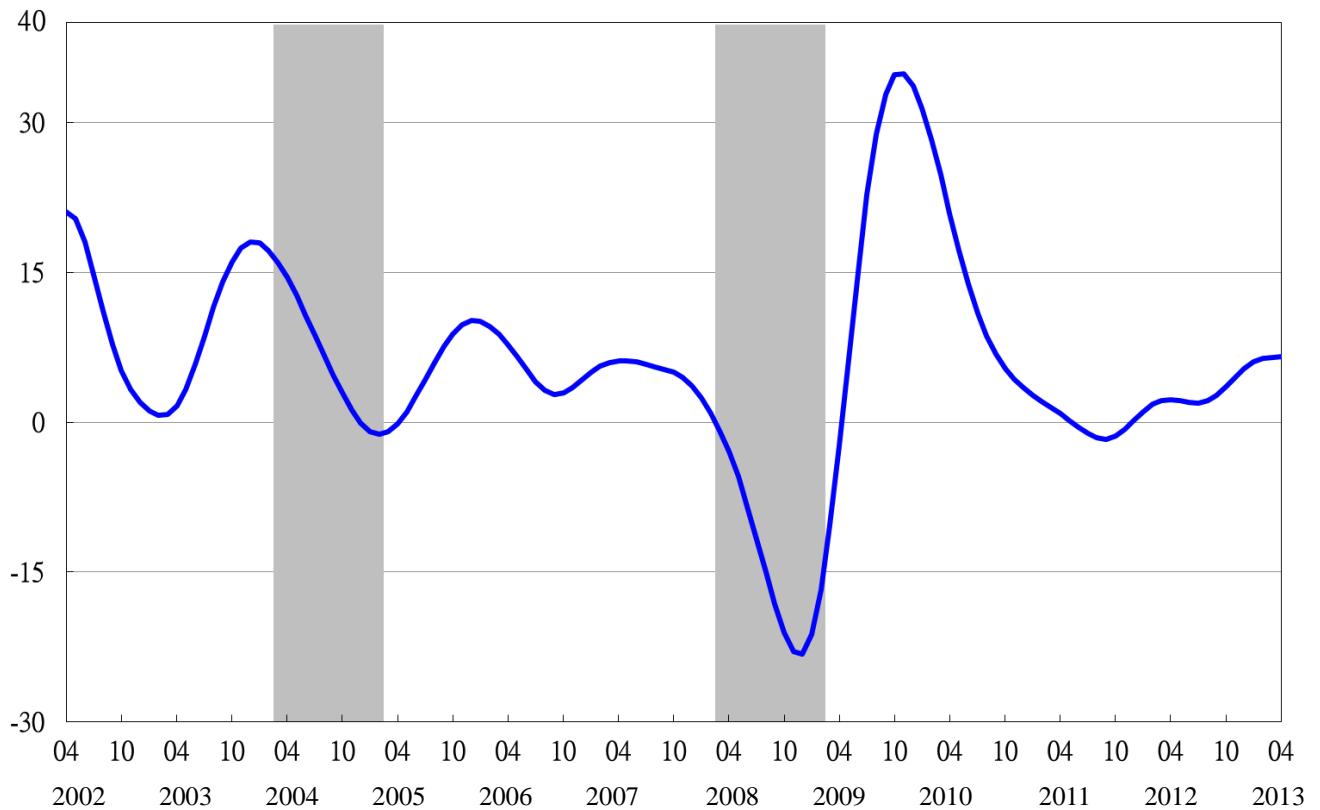
	2012			2013			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Composite Index</b>	102.3	102.4	102.7	103.1	103.6	104.2	104.8
Change from preceding month (%)	0.0	0.1	0.3	0.4	0.5	0.6	0.6
Trend adjusted index	100.3	100.2	100.3	100.4	100.7	101.0	101.4
Change from preceding month (%)	-0.2	-0.1	0.0	0.1	0.3	0.3	0.3
<b>Components</b>							
Unemployment rate* (%)	4.28	4.24	4.21	4.20	4.16	4.18	4.19
Regular employees on payrolls in industry & services (Thousand persons)	6,774	6,784	6,795	6,804	6,820	6,820	6,828 <sub>p</sub>
The manufacturing unit output labor cost index (index 2006=100)	81.1	81.6	85.6	79.0	85.6	84.4	85.4 <sub>p</sub>
Interbank overnight call-loan rate (percent per annum)	0.388	0.386	0.388	0.387	0.387	0.387	0.386
Loans and investments of monetary financial institutions (NT\$ billion)	25,248	25,339	25,507	25,602	25,724	25,941	26,004
Inventories to sales ratio for manufacturing (%)	68.6	68.4	69.3	68.8	70.9	73.2	72.4 <sub>p</sub>

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

## Composite Leading Index

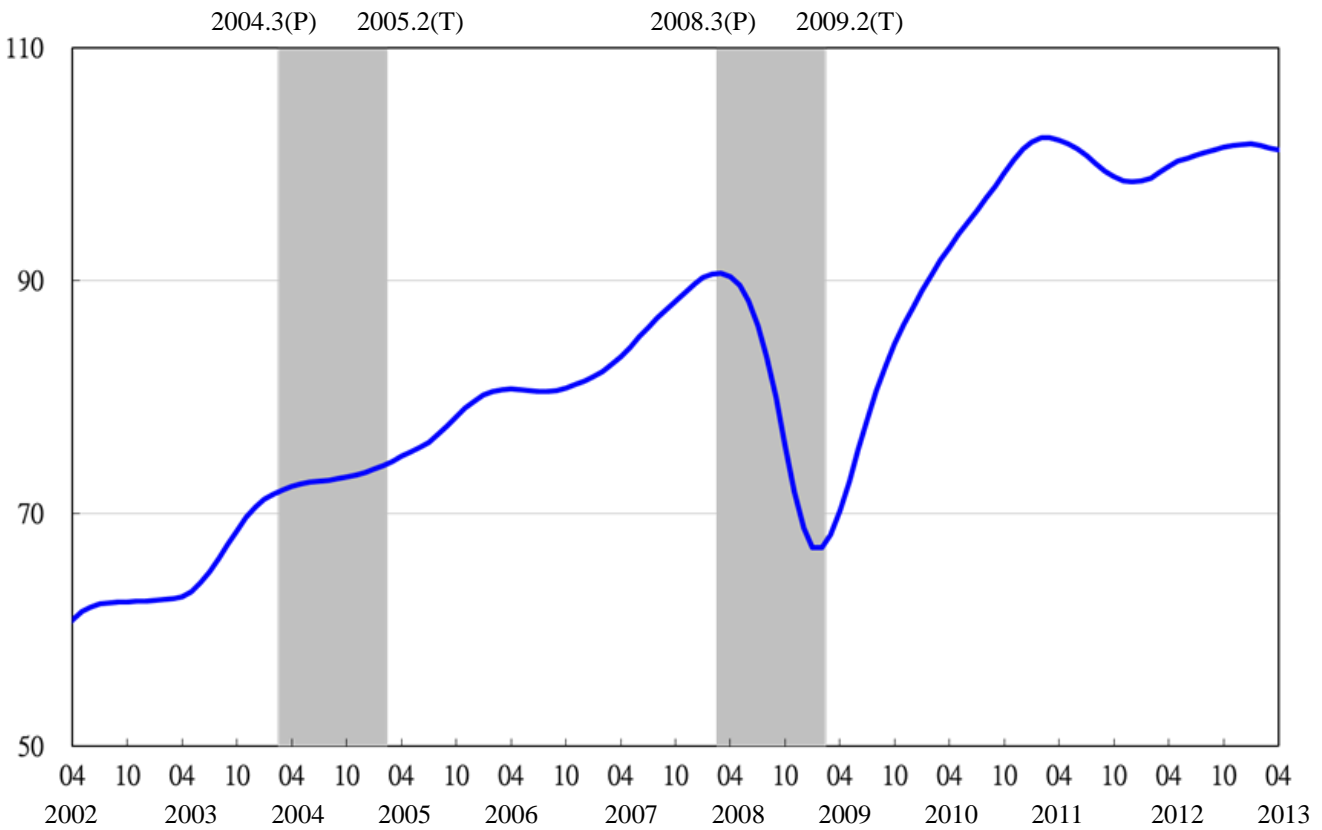


## Annualized 6-month rate of change of composite leading index

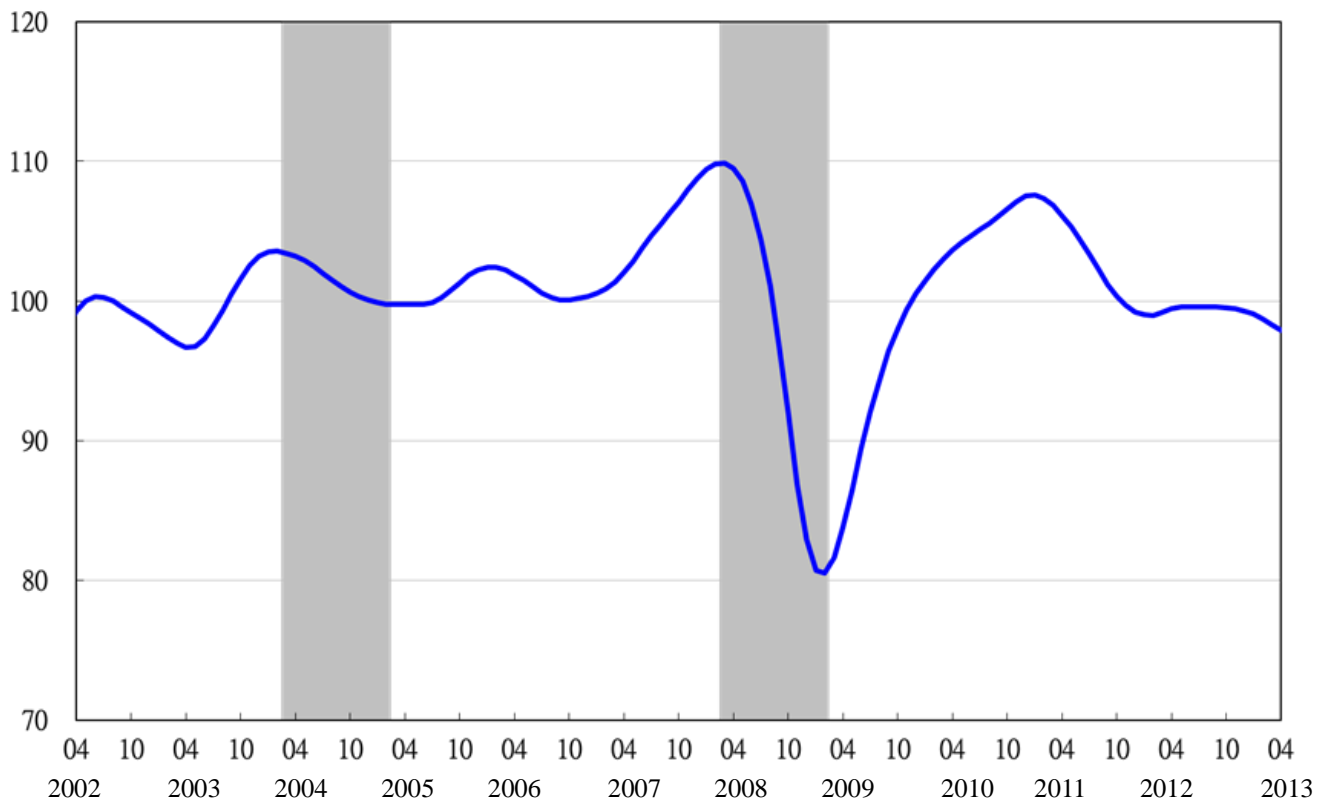


Shaded areas represent recessions.

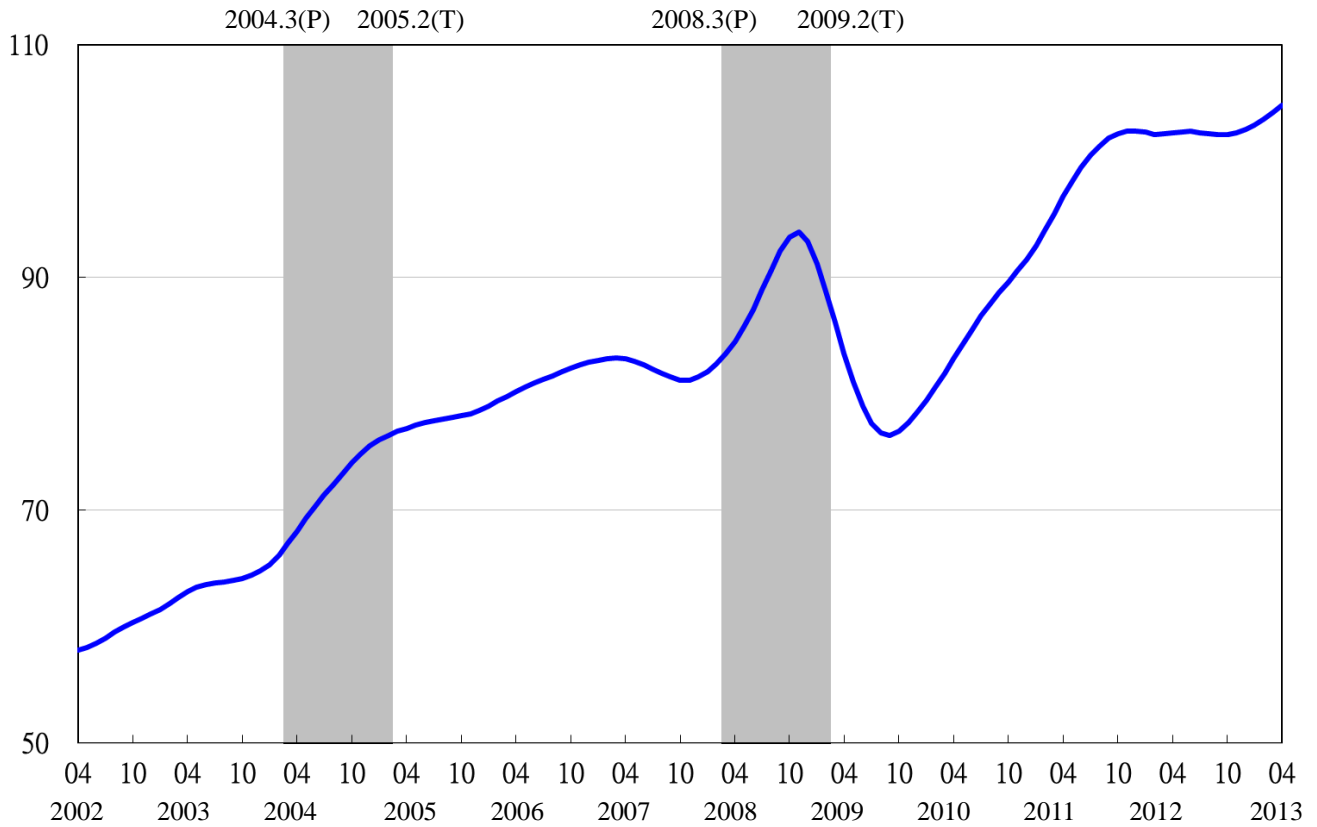
## Composite Coincident Index



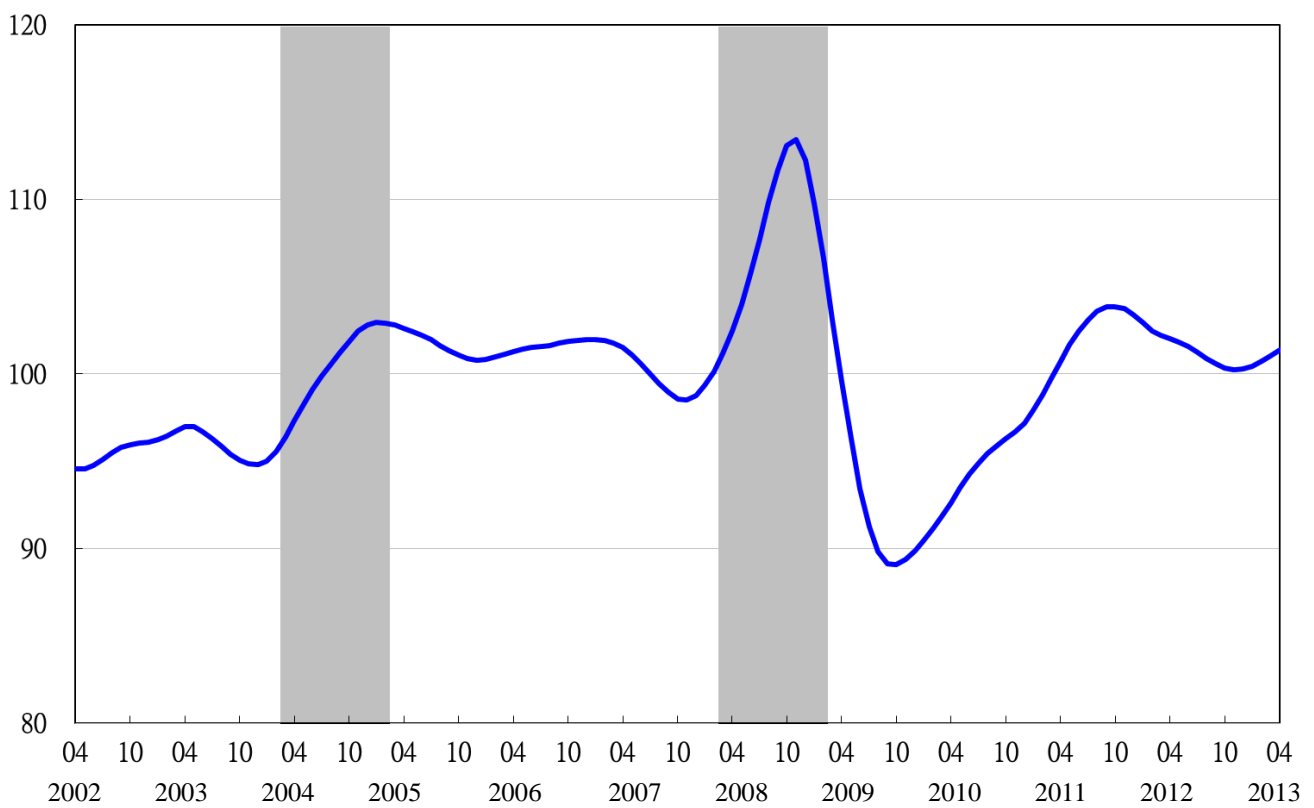
## Trend-adjusted composite coincident index



## Composite Lagging Index



## Trend-adjusted composite lagging index



## Monitoring Indicators

		101(2012)										102(2013)			
		3	4	5	6	7	8	9	10	11	12	1	2	3	4
Total	Light Score														
		14	14	15	15	16	15	20	19	21	22	19	20	18	17
Monetary Aggregates M1B															5.8
Direct and Indirect Finance															4.4
Stock Price Index															3.6
Industrial Production Index															-1.8
Nonagricultural Employment															1.1
Customs-Cleared Exports															-1.1
Imports of Machineries and Electrical Equipments															-3.3
Manufacturing Sales															-4.5 <sub>p</sub>
Sales Index of Trade and Food Services															4.7

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.