

Taiwan Business Indicators in April 2014

Press Release

National Development Council (NDC)

May 27, 2014

In April 2014, the Taiwan Business Indicators showed that the significant recovery was underway. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index increased by 0.18%, the trend-adjusted coincident index increased by 0.25% from the previous month, and the overall monitoring indicator flashed the "green" signal for the third consecutive month.

1. **Leading Indicators:** With revised data, the composite leading index stood at 104.90, up by 0.31% from March 2014. Its trend-adjusted index increased by 0.18% to 101.31. Among the seven indicators making up the trend-adjusted index, the TIER manufacturing sector composite indicator, TAIEX average closing price, the index of export orders, net accession rate of employees on payrolls of industry and services, and building permits had positive cyclical movements from the previous month, while SEMI book-to-bill ratio and real monetary aggregates M1B had negative cyclical movements.
2. **Coincident Indicators:** With revised data, the coincident index stood at 104.65, up by 0.38% from March 2014. Its trend-adjusted index increased by 0.25% to 101.07. Among the seven indicators making up the trend-adjusted index, real machineries and electrical equipments imports, real customs-cleared exports, the index of producer's shipment for manufacturing, sales of trade and food services, and the industrial production index had positive cyclical movements from the previous month, while electric power consumption and nonagricultural employment had negative cyclical movements.
3. **Lagging Indicators:** With revised data, the lagging index stood at 101.03, down by 0.02% from March 2014. Its trend-adjusted index decreased by 0.15% to 97.58. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, the unemployment rate(inverted) , and regular employees on payrolls in industry and services had positive cyclical movements from the previous month, while the inventories to sales ratio for manufacturing,

loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had negative cyclical movements.

4. The Monitoring Indicators: The total score in April 2014 increased by four points to 29, flashing the “green” signal for the third month. Among the nine components, the TAIEX average closing price gained one point to change its individual light signal from “green” to “yellow-red”, and the industrial production index, the customs-cleared exports and sales of trade and food services changed its individual light signal from “yellow-blue” to “green”, each gained one point. The light signal for the rest of five components remained unchanged.

~~ The next release is scheduled for June 27 2014 ~~

Table 1 Leading Indicators

	Seasonally adjusted						
	2013			2014			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	103.07	103.37	103.67	103.95	104.26	104.57	104.90
Change from preceding month (%)	0.32	0.29	0.29	0.27	0.30	0.30	0.31
Trend adjusted index	100.31	100.48	100.64	100.78	100.96	101.13	101.31
Change from preceding month (%)	0.19	0.16	0.16	0.14	0.17	0.17	0.18
Components							
Index of export orders (2011=100)	109.0	112.3	118.8	107.0	108.9	110.5	114.4
Real monetary aggregates M1B (NT\$ billion)	12,813	12,878	12,943	13,052	12,954	13,166	13,137
TAIEX average closing price (1966=100)*	8,366	8,237	8,431	8,567	8,496	8,687	8,900
Net accession rate of employees on payrolls of industry and services ** (%)	0.14	0.29	0.08	0.20	0.35	0.18	0.23 _p
Building permits *** (1,000m ²)	3,256	2,267	2,929	2,603	3,589	2,983	3,050
SEMI Book-to-Bill Ratio	1.05	1.11	1.02	1.04	1.01	1.06	1.03
The TIER manufacturing sector composite indicator (2006=100)	96.20	95.81	98.76	101.23	101.33	102.11	101.81

Note : 1. p = Preliminarily estimated.

2. * TAIEX average closing price is not seasonally adjusted.

** Net accession rate is equal to accession rate minus separation rate.

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

Table 2 Coincident Indicators

	Seasonally adjusted						
	2013			2014			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	102.39	102.82	103.25	103.60	103.92	104.25	104.65
Change from preceding month (%)	0.36	0.42	0.42	0.34	0.31	0.32	0.38
Trend adjusted index	99.65	99.94	100.24	100.44	100.63	100.82	101.07
Change from preceding month (%)	0.24	0.29	0.29	0.21	0.18	0.19	0.25
Components							
Industrial production index (2011=100)	101.2	102.2	104.3	102.5	103.8	101.8	103.5
Electric power consumption (billion kWh)	11.72	11.83	11.74	12.03	12.07	11.68	11.93
Index of producer's shipment for manufacturing (2011=100)	98.9	99.0	101.7	97.6	102.0	99.3	101.9 _p
Sales of trade and food services (NT\$ billion)	1,189	1,199	1,211	1,220	1,192	1,191	1,220
Nonagricultural employment (thousand persons)	10,452	10,463	10,471	10,483	10,496	10,499	10,513
Real customs-cleared exports (NT\$ billion)	797.5	786.1	805.3	775.6	803.5	805.6	828.5
Real machineries and electrical equipments imports (NT\$ billion)	209.6	208.0	246.7	217.1	207.3	229.2	230.8

Table 3 Lagging Indicators

	Seasonally adjusted						
	2013			2014			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Composite Index	102.10	101.78	101.47	101.24	101.09	101.06	101.03
Change from preceding month (%)	-0.28	-0.31	-0.31	-0.23	-0.14	-0.03	-0.02
Trend adjusted index	99.37	98.94	98.50	98.15	97.89	97.73	97.58
Change from preceding month (%)	-0.40	-0.44	-0.44	-0.35	-0.27	-0.16	-0.15
Components							
Unemployment rate* (%)	4.18	4.15	4.14	4.07	4.05	4.06	4.04
Regular employees on payrolls in industry & services (thousand persons)	6,996	7,008	7,013	7,026	7,033	7,043	7,056 _p
The manufacturing unit output labor cost index (2011=100)	106.2	103.8	100.6	101.7	97.7	103.8	102.7 _p
Interbank overnight call-loan rate** (percent per annum)	0.387	0.386	0.387	0.388	0.387	0.387	0.387
Loans and investments of monetary financial institutions (NT\$ billion)	26,617	26,745	26,695	26,886	27,006	27,126	27,271
Inventories to sales ratio for manufacturing (%)	66.6	66.8	65.6	66.6	65.2	65.9	63.4 _p

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

** Interbank overnight call-loan rate is not seasonally adjusted.

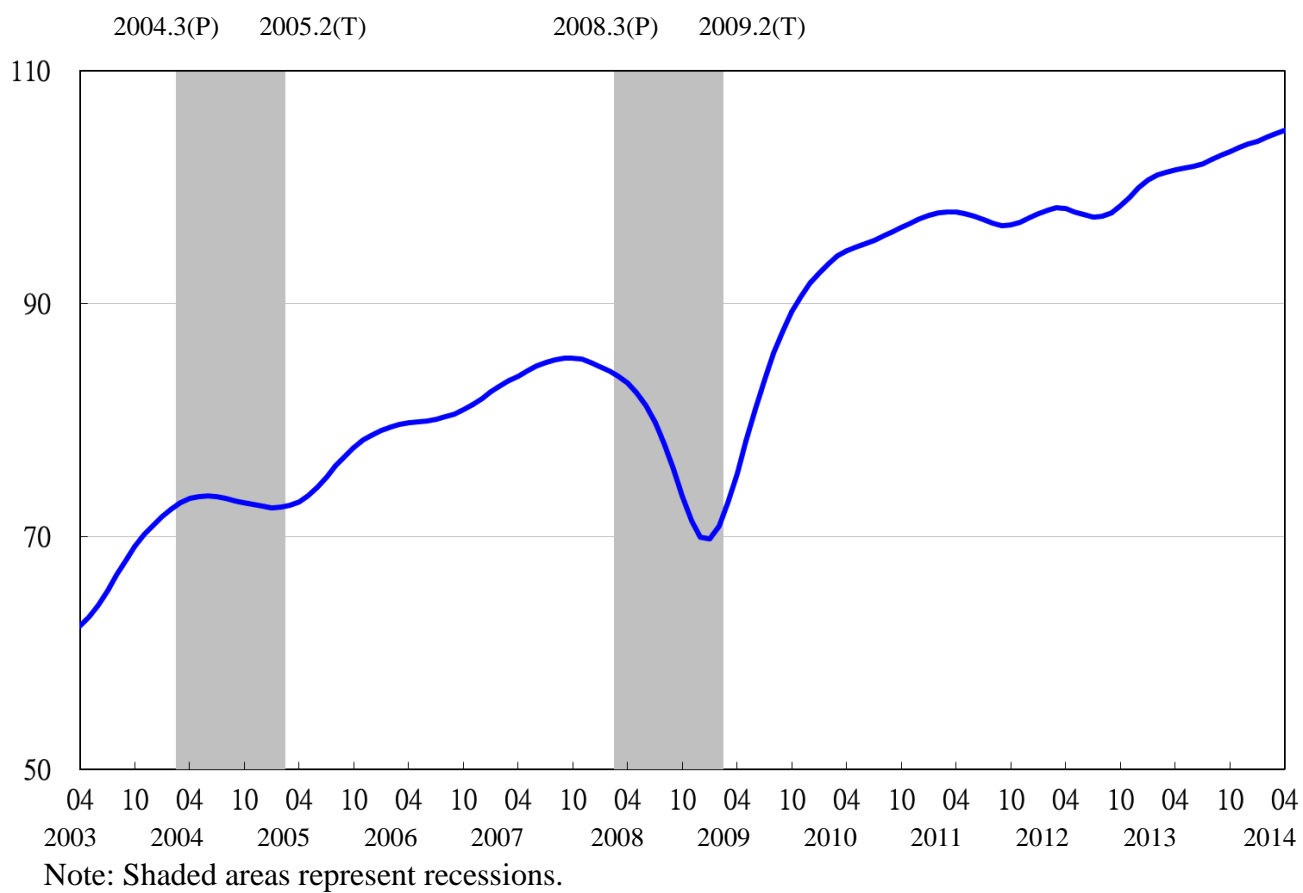


Figure 1 Composite Leading Index

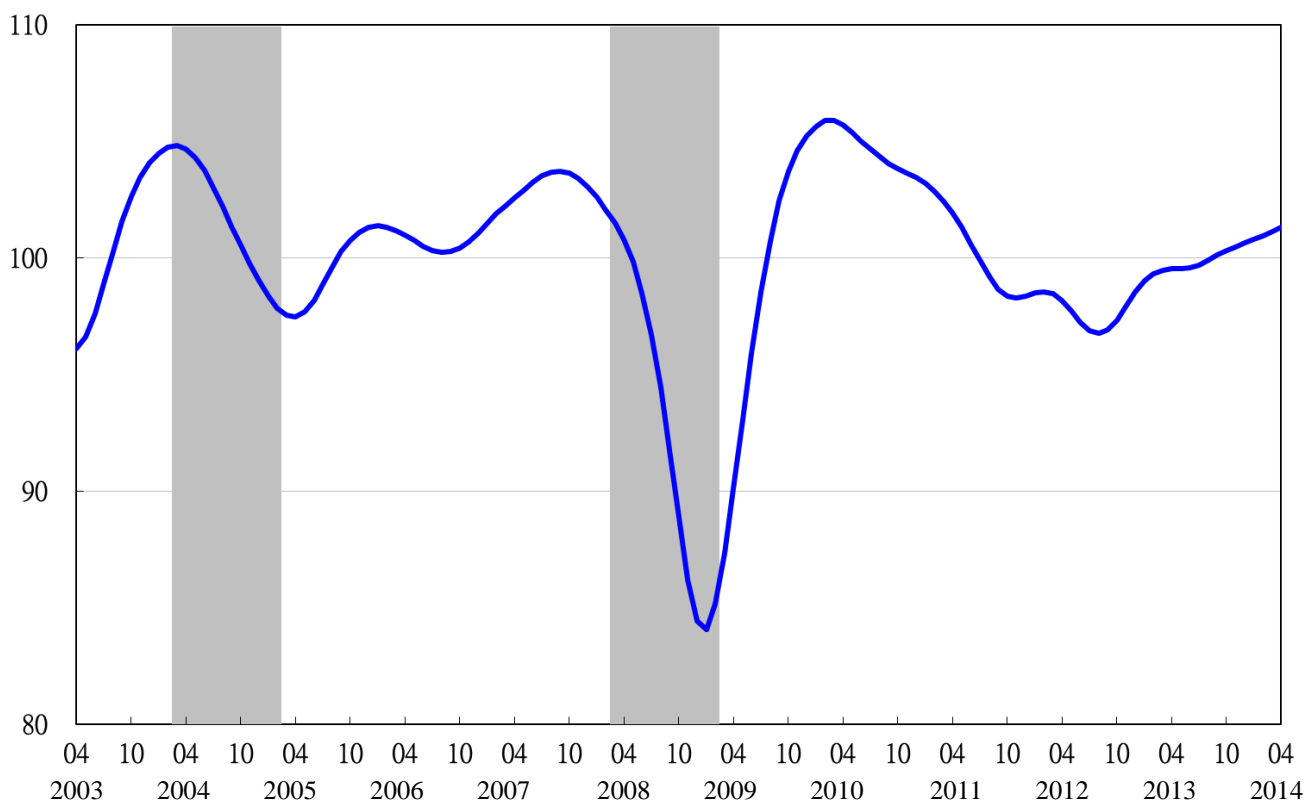
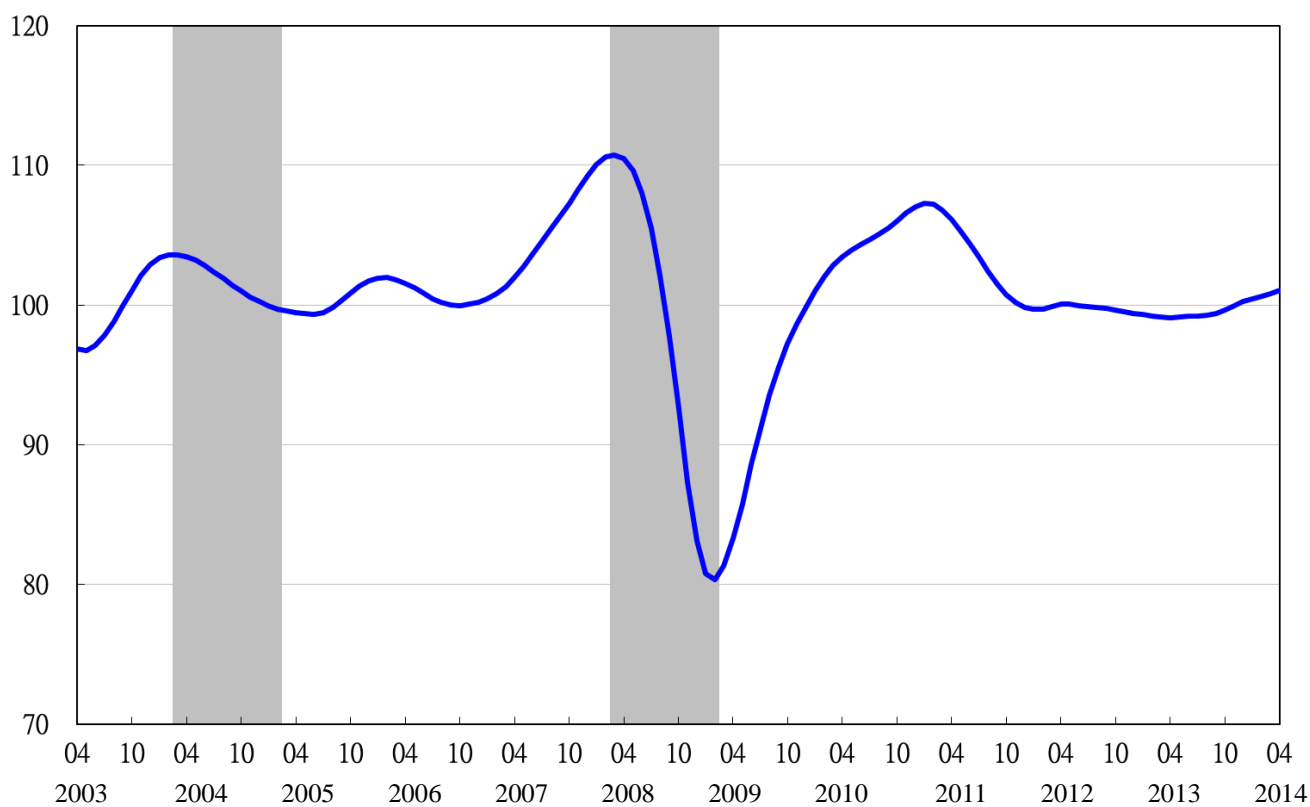
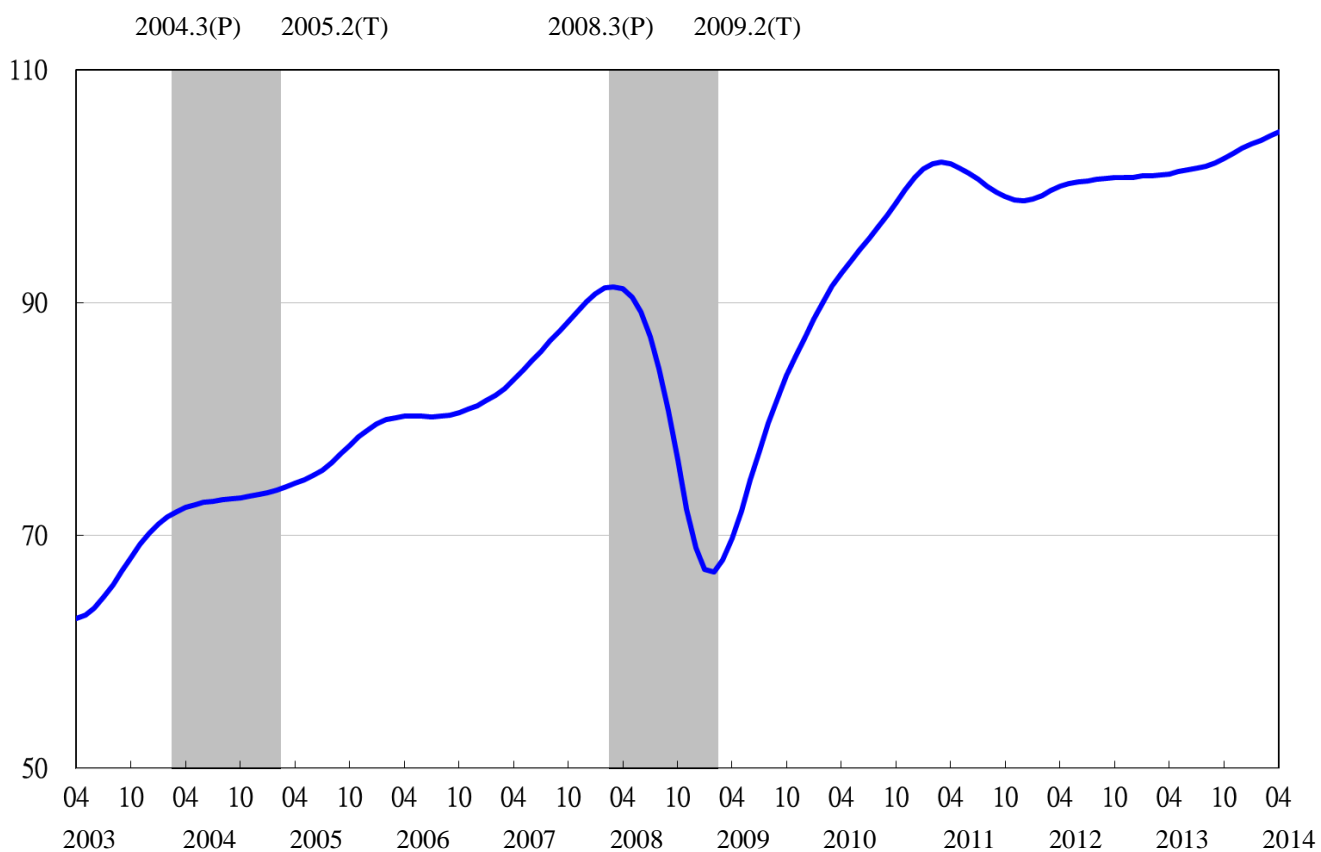
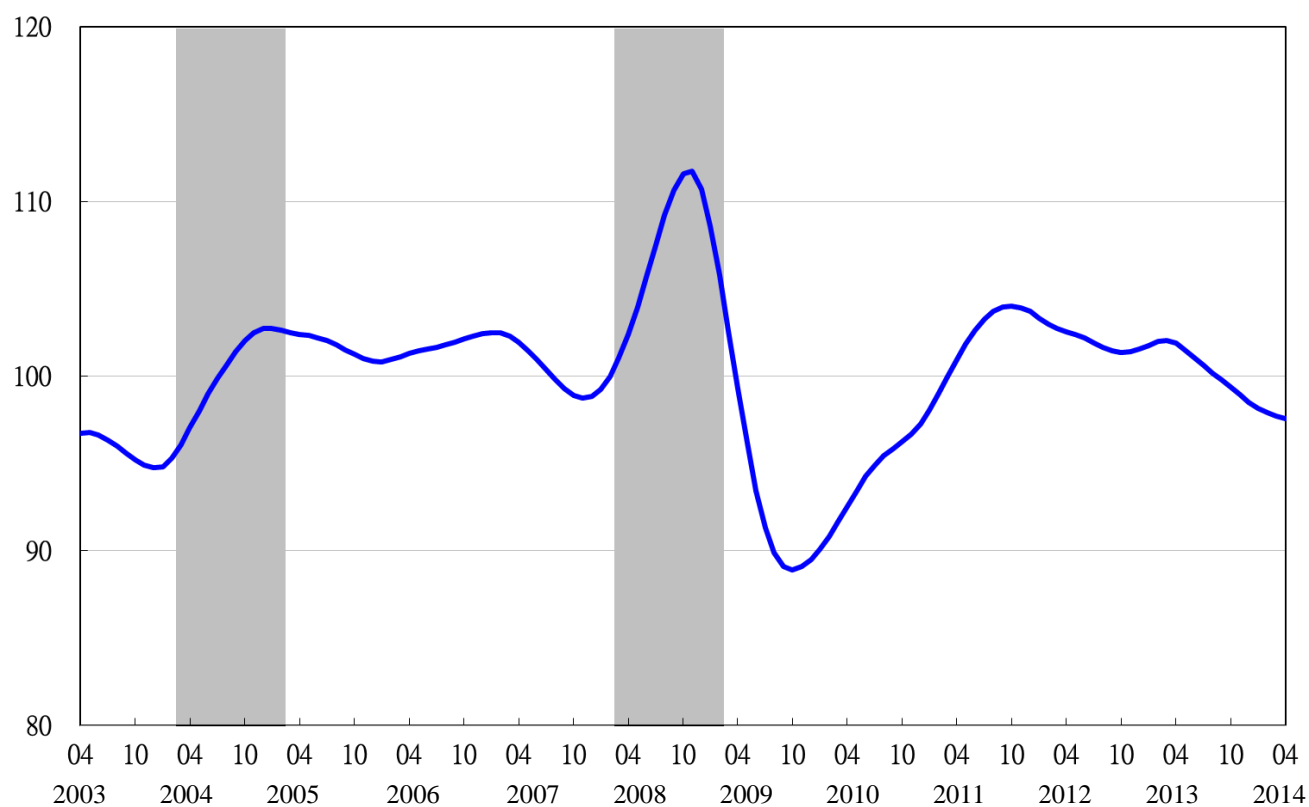
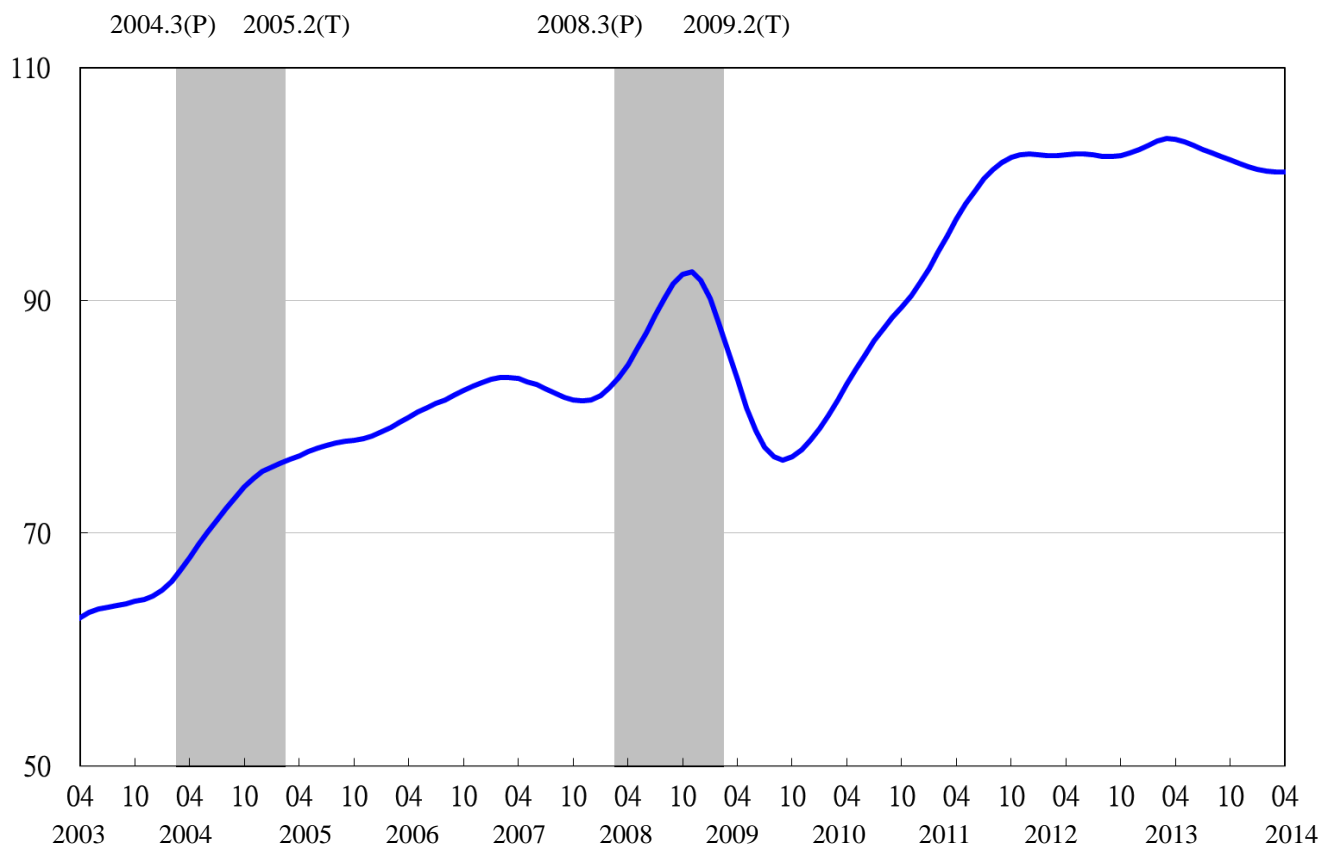


Figure 2 Trend-adjusted Leading Index





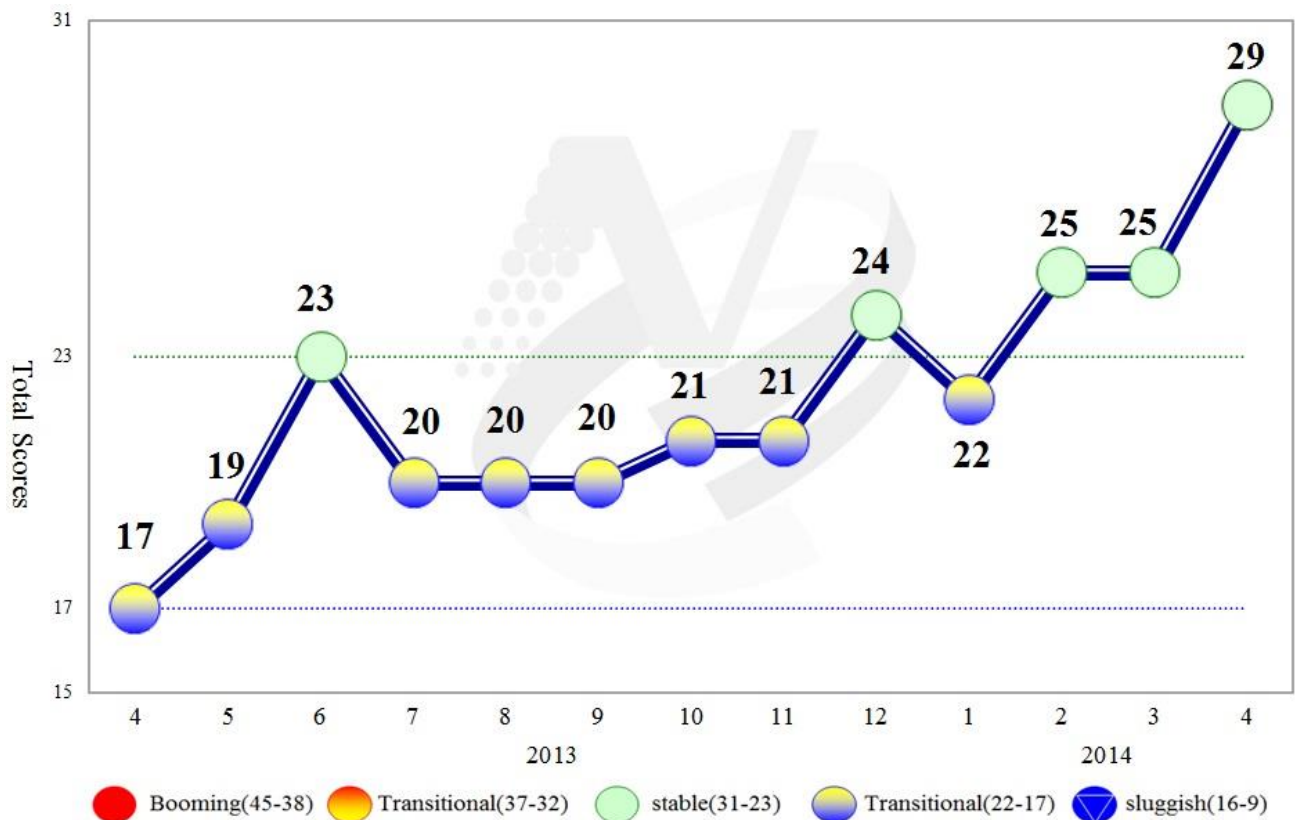


Figure 7 Total Scores in the Past Year

	Month	2013												2014					
		4	5	6	New Series beginning in July 2013*	7	8	9	10	11	12	1	2	3	4				
Total	Light																		
	Score	17	19	23		20	20	20	21	21	24	22	25	25	29				
Monetary Aggregates M1B					Monetary Aggregates M1B									9.0		9.1			
Direct and Indirect Finance					————	————													
TAIEX average closing price					TAIEX Average Closing Price									9.9		12.8			
Industrial Production Index					Industrial Production Index									3.0 _r		5.0			
Nonagricultural Employment					Nonagricultural Employment									0.9		1.0			
Customs-Cleared Exports					Customs-Cleared Exports									3.9 _r		9.0			
Imports of Machinery and Electrical Equipments					Imports of Machineries and Electrical Equipments									10.1		11.9			
Manufacturing Sales					Index of producer's shipment for manufacturing									3.7 _r		6.3			
Sales Index of Trade and Food Services					Sales of Trade and Food Services									1.5		4.7			
————		————			The TIER Manufacturing Sector Composite Indicator									102.1 _r		101.8			

Notes : 1. Individual Componenets and check points are in terms of percentage changes over a one-year span, except the TIER Manufacturing Composite Indicator, which is in point (2006=100).

2. All components, except TAIEX average closing price, have been seasonally adjusted.

3. p = Preliminarily estimated, r = Revised.

Figure 8 Monitoring Indicators