

Taiwan Business Indicators in April 2015

Press Release

National Development Council (NDC)

May 27, 2015

In April 2015, Taiwan Business Indicators indicated that the economy has been on the downturn, mainly due to poor export. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.58%, the trend-adjusted coincident index decreased by 0.55% from the previous month, and the overall monitoring indicator flashed the "blue" signal.

1. The Monitoring Indicators: The total score in March was adjusted upward by one point to 22, following the revision of the index of producer's shipment for manufacturing. The total score in April decreased by six points to 16, flashing the "blue" signal for the first month. Among the nine components, the industrial production index 、 the nonagricultural employment 、 the TIER manufacturing sector composite indicator each lost one point to change its individual light from "green" to "yellow-blue", while the sales of trade and food services lost one point to change its individual light from "yellow-blue" to "blue", and the index of producer's shipment for manufacturing lost two points to change its individual light from "green" to "blue". The light signal for the rest of four components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 97.74, down by 0.58% from March 2015. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, TAIEX average closing price, and real monetary aggregates M1B had positive cyclical movements from the previous month, while building permits, the index of export orders, the TIER manufacturing sector composite indicator, and net accession rate of employees on payrolls of industry and services had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 99.29, down by 0.55% from March 2015. Among the seven indicators making up the trend-adjusted index, electric power consumption and nonagricultural employment had

positive cyclical movements from the previous month, while the industrial production index, real machineries electrical equipments imports, real customs-cleared exports, sales of trade and food services, and the index of producer's shipment for manufacturing had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 101.76, up by 0.46% from March 2015. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, the inventories to sales ratio for manufacturing, and the unemployment rate (inverted) had positive cyclical movements from the previous month, while loans and investments of monetary financial institutions, regular employees on payrolls in industry and services, and the interbank overnight call-loan rate had negative cyclical movement.

~~ The next release is scheduled for June 26 2015 ~~

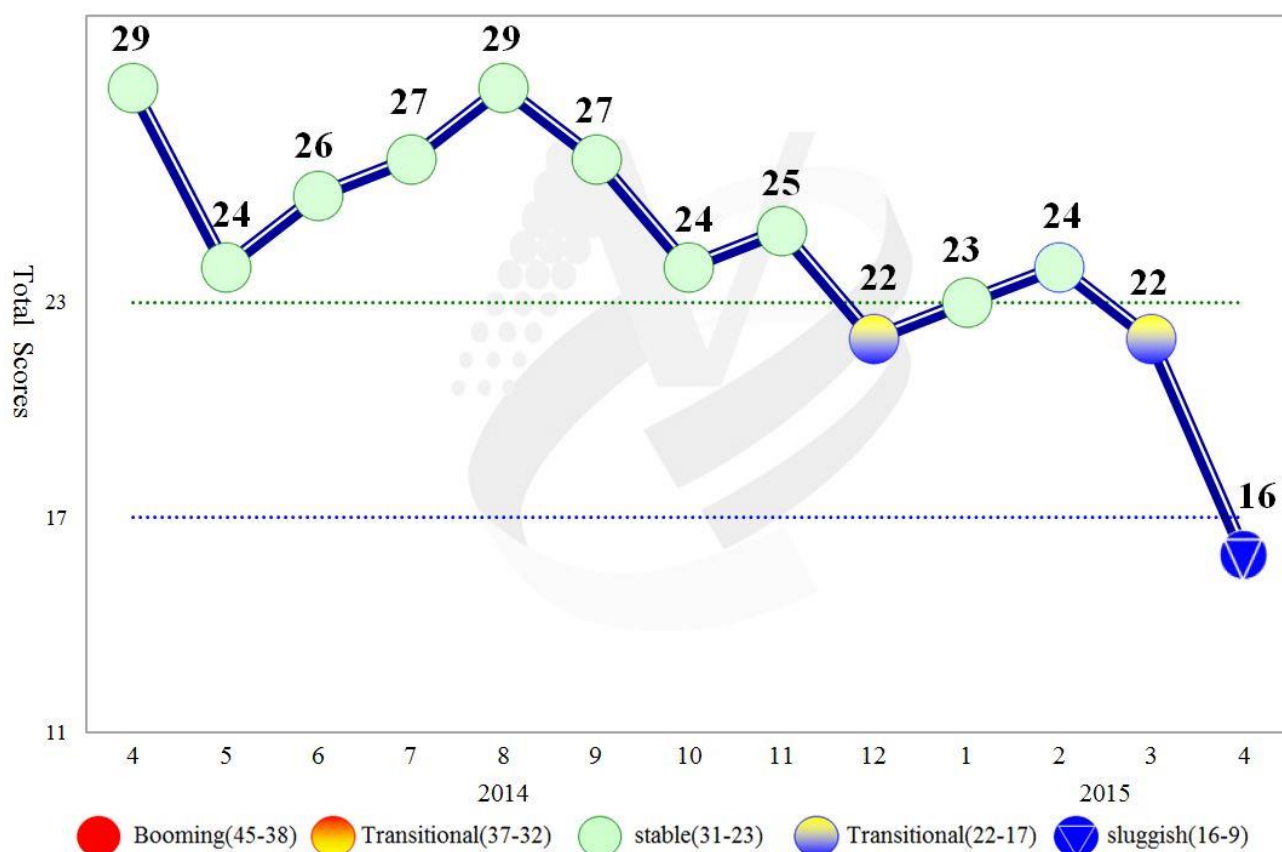


Figure 1 Total Scores in the Past Year

		2014										2015			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Total	Light														
	Score	29	24	26	27	29	27	24	25	22	23	24	22 _r	16	
Monetary Aggregates M1B													5.3		5.8
TAIEX Average Closing Price													10.6		8.8
Industrial Production Index													7.7 _r		1.5
Nonagricultural Employment													1.5		1.2
Customs-Cleared Exports													-4.7 _r		-8.2
Imports of Machineries and Electrical Equipments													-8.6 _r		-9.1
Index of producer's shipment for manufacturing													3.2 _r		-2.1 _p
Sales of Trade and Food Services													0.9		-1.9
The TIER Manufacturing Sector Composite Indicator													97.6 _r		96.1

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 2 Monitoring Indicators

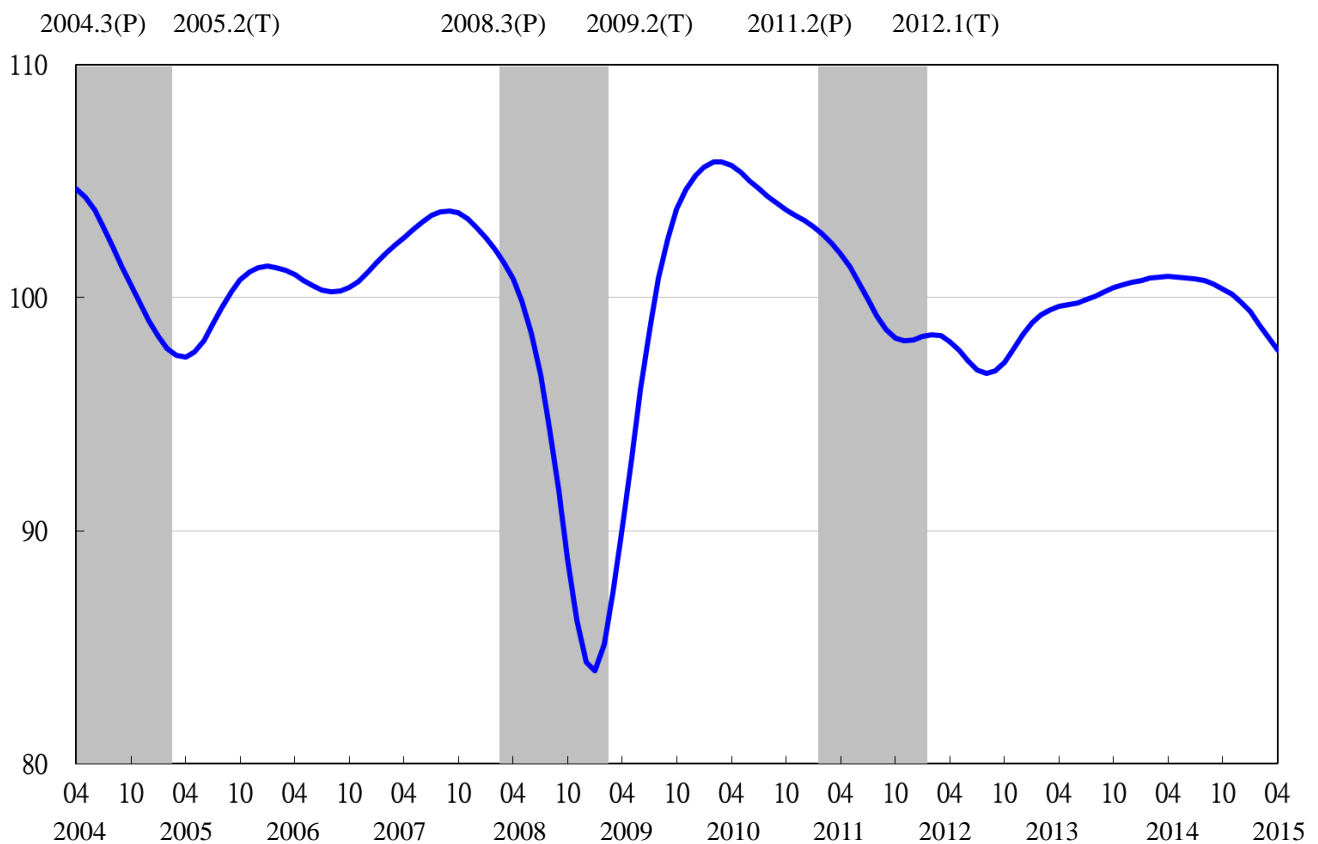
Table 1 Leading Indicators

	Index						
	2014			2015			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	100.39	100.15	99.83	99.39	98.87	98.31	97.74
Change from preceding month (%)	-0.19	-0.24	-0.32	-0.43	-0.53	-0.57	-0.58
Components¹							
Index of export orders	101.37	101.33	101.03	100.51	99.94	99.44	98.98
Real monetary aggregates M1B	100.04	100.09	100.13	100.16	100.17	100.17	100.18
TAIEX average closing price	100.09	100.05	100.05	100.07	100.11	100.16	100.21
Net accession rate of employees on payrolls of industry and services ²	100.01	100.01	100.00	100.00	99.99	99.95	99.91
Building permits ³	99.94	99.76	99.54	99.23	98.82	98.31	97.75
SEMI Book-to-Bill Ratio	99.66	99.67	99.73	99.83	99.95	100.07	100.17
The TIER manufacturing sector composite indicator	99.93	99.72	99.61	99.55	99.49	99.42	99.34

Note : 1.All components are passed through seasonal adjustment, trend-removal, smoothing and normalization.

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

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



Note: Shaded areas represent recessions.

Figure 3 Trend-adjusted Leading Index

Table 2 Coincident Indicators

	Index						
	2014			2015			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	101.58	101.45	101.17	100.78	100.35	99.85	99.29
Change from preceding month (%)	-0.01	-0.13	-0.27	-0.38	-0.43	-0.50	-0.55
Components							
Industrial production index	100.75	100.75	100.67	100.51	100.29	100.02	99.69
Electric power consumption	100.22	100.06	99.87	99.73	99.72	99.82	99.93
Index of producer's shipment for manufacturing	100.52	100.46	100.37	100.24	100.08	99.87	99.64
Sales of trade and food services	100.22	100.17	100.08	99.92	99.72	99.50	99.26
Nonagricultural employment	99.68	99.73	99.80	99.88	99.97	100.08	100.16
Real customs-cleared exports	100.37	100.30	100.18	100.02	99.81	99.54	99.25
Real machineries and electrical equipments imports	100.50	100.51	100.42	100.25	100.01	99.72	99.42

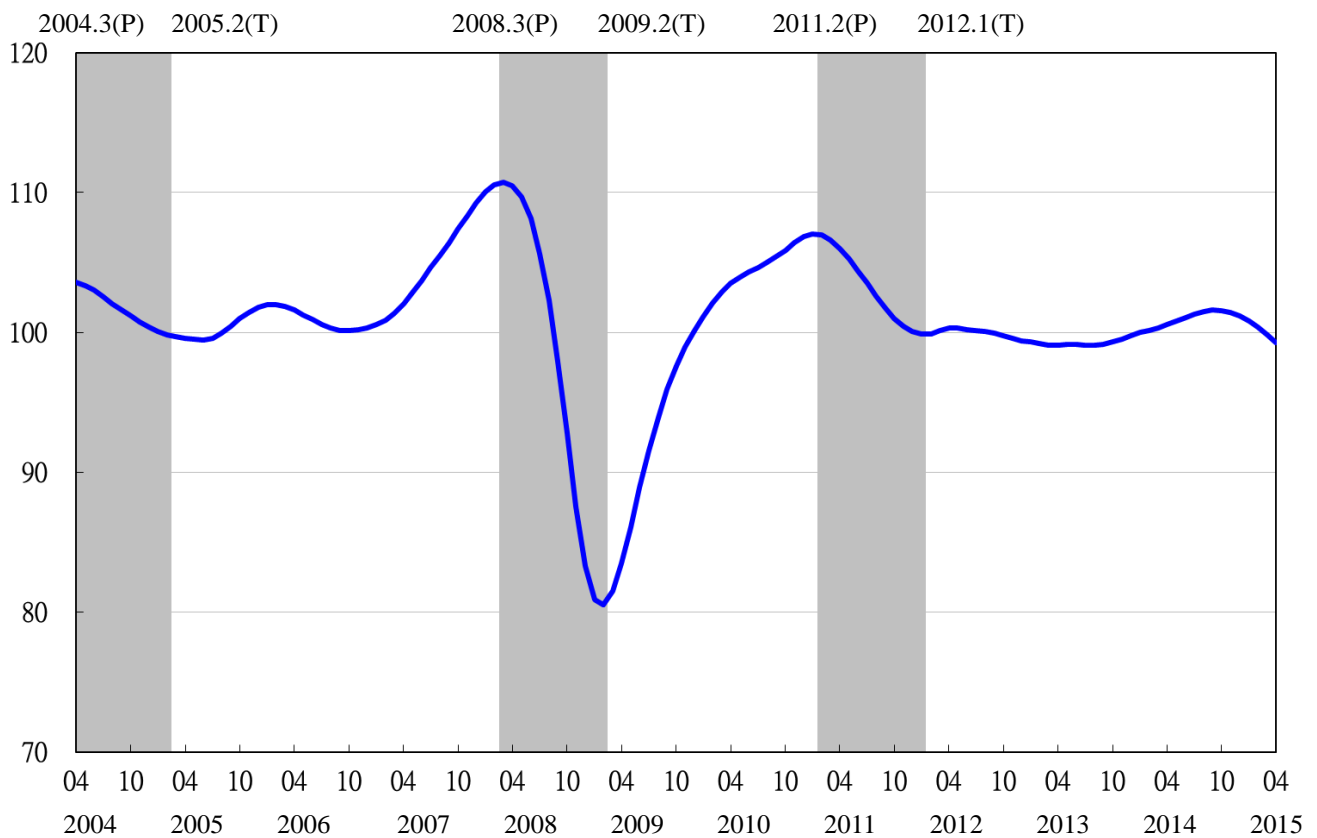


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2014			2015			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	98.72	99.06	99.53	100.16	100.80	101.29	101.76
Change from preceding month (%)	0.18	0.35	0.47	0.63	0.64	0.49	0.46
Components							
Unemployment rate	99.94	99.99	100.05	100.09	100.13	100.15	100.16
Regular employees on payrolls in industry & services	99.96	99.98	99.99	99.99	99.99	99.99	99.98
The manufacturing unit output labor cost index	99.06	99.16	99.42	99.91	100.44	100.82	101.19
Interbank overnight call-loan rate	99.97	99.97	99.97	99.96	99.96	99.96	99.95
Loans and investments of monetary financial institutions	99.91	99.88	99.84	99.82	99.81	99.80	99.78
Inventories to sales ratio for manufacturing	99.66	99.93	100.18	100.40	100.60	100.80	101.00

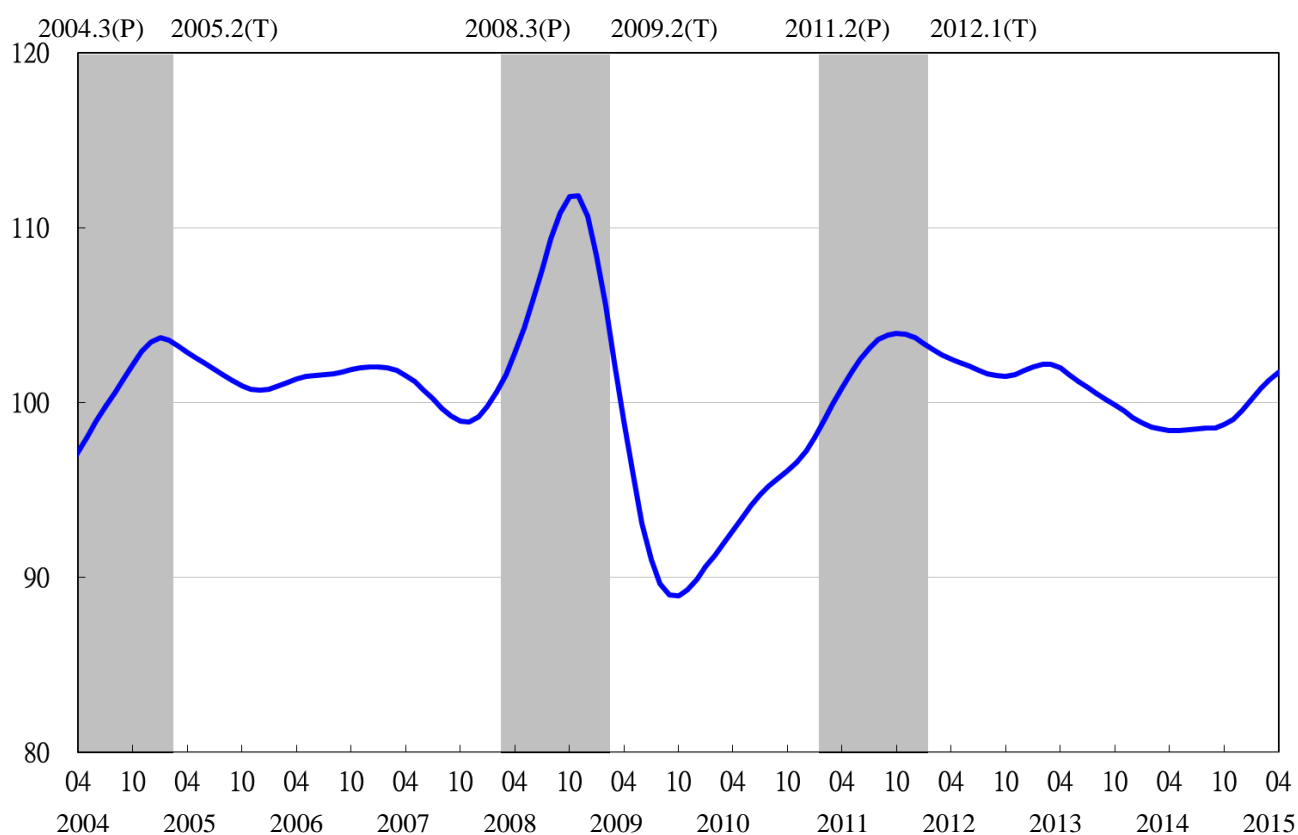


Figure 5 Trend-adjusted Lagging Index