

Taiwan Business Indicators in August 2012

Press Release

Council for Economic Planning and Development

September 27, 2012

In August 2012, Taiwan Business Indicators showed the economic situation 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 decreased by 0.8 points, the trend-adjusted coincident index decreased by 0.2% 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 130.1, down by 0.1% from July 2012. Its annualized six-month rate of change decreased by 0.8 points to 2.9%. Among the seven indicators making up the trend-adjusted index, index of producer's inventory for manufacturing (inverted) had positive cyclical movements from previous month. SEMI book-to-bill ratio, building permits, real monetary aggregates M1B, index of export orders, stock price index, average monthly overtime in industry and services had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 131.2, up by 0.3% from July 2012. Its trend-adjusted index decreased by 0.2% to 97.2. Among the seven indicators making up the trend-adjusted index, index of producer's shipment for manufacturing had positive cyclical movements from previous month. Nonagricultural employment, industrial production index, electric power consumption, real machineries and electrical equipments imports, real customs-cleared exports, and the sales index of wholesale, retail and food services had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 136.3, down by 0.2% from July 2012. Its trend-adjusted index decreased by 0.6% to 100.9. All six indicators making up the trend-adjusted index had negative cyclical movements from previous month, which were the unemployment rate (inverted), the manufacturing unit output labor cost index, regular employees on payrolls in industry and services, interbank overnight call-loan rate,

inventories to sales ratio for manufacturing, loans and investments of monetary financial institutions.

4. The Monitoring Indicators: The total score in August lost 1 point to 15. The overall light signal flashed the "blue" signal for the tenth consecutive month. Among the nine components, nonagricultural employment lost one point and changed its individual light signal from "green" to "yellow-blue". The light signals for the rest of eight components remained unchanged.

~~ The next release is scheduled for October 26 2012 ~~

Leading Indicators

Seasonally adjusted

	2012						
	Feb	Mar	Apr	May	Jun	Jul	Aug
Composite Index	129.1	129.7	130.0	130.2	130.3	130.2	130.1
Change from preceding month (%)	0.6	0.4	0.3	0.2	0.1	-0.0	-0.1
Annualized 6-month rate of change (%)	4.5	5.0	5.1	4.8	4.3	3.7	2.9
Change from preceding month (point)	0.8	0.5	0.1	-0.2	-0.5	-0.7	-0.8
Components							
Index of export orders (2006=100)	136.8	137.6	136.3	136.4	138.2	138.5	136.2
Real monetary aggregates M1B (NT\$ billion)	11,002	11,019	10,969	10,954	11,002	10,994	11,018
Stock price index(1966=100)	7,856	8,020	7,621	7,357	7,143	7,187	7,410
Index of producer's Inventory for manufacturing*(2006=100)	126.1	128.2	131.0	130.3	129.4	129.9	130.2 _p
Average monthly overtime in industry and services (hours/month)	8.2	8.0	8.1	8.2	8.2	8.1	8.2 _p
Building Permits ** (1,000m ²)	2,305	2,466	2,188	2,436	2,469	2,200	2,029
SEMI Book-to-Bill Ratio	1.01	1.12	1.10	1.05	0.93	0.86	0.84

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						
	Feb	Mar	Apr	May	Jun	Jul	Aug
Composite Index	127.9	128.6	129.3	130.0	130.4	130.8	131.2
Change from preceding month (%)	0.2	0.5	0.6	0.5	0.3	0.3	0.3
Trend adjusted index	97.5	97.5	97.6	97.6	97.5	97.4	97.2
Change from preceding month (%)	-0.2	0.0	0.1	0.0	-0.1	-0.2	-0.2
Components							
Industrial production index(2006=100)	122.7	130.0	129.7	129.3	126.8	129.4	129.7
Electric power consumption (billion kWh)	10.28	12.02	11.69	12.34	11.26	11.78	11.79
Index of producer's shipment for manufacturing (2006=100)	120.1	126.4	127.2	127.8	126.9	128.4	129.5 _p
Sales index of wholesale, retail, and food services (2006=100)	109.8	107.2	106.3	110.2	108.9	108.6	107.8
Nonagricultural employment (1,000)	10,272	10,284	10,299	10,305	10,316	10,314	10,319
Real customs-cleared exports (NT\$ billion)	767.5	755.2	764.6	766.8	764.5	752.3	769.3
Real machineries and electrical equipments imports (NT\$ billion)	231.7	252.8	253.3	263.0	249.1	253.8	250.0

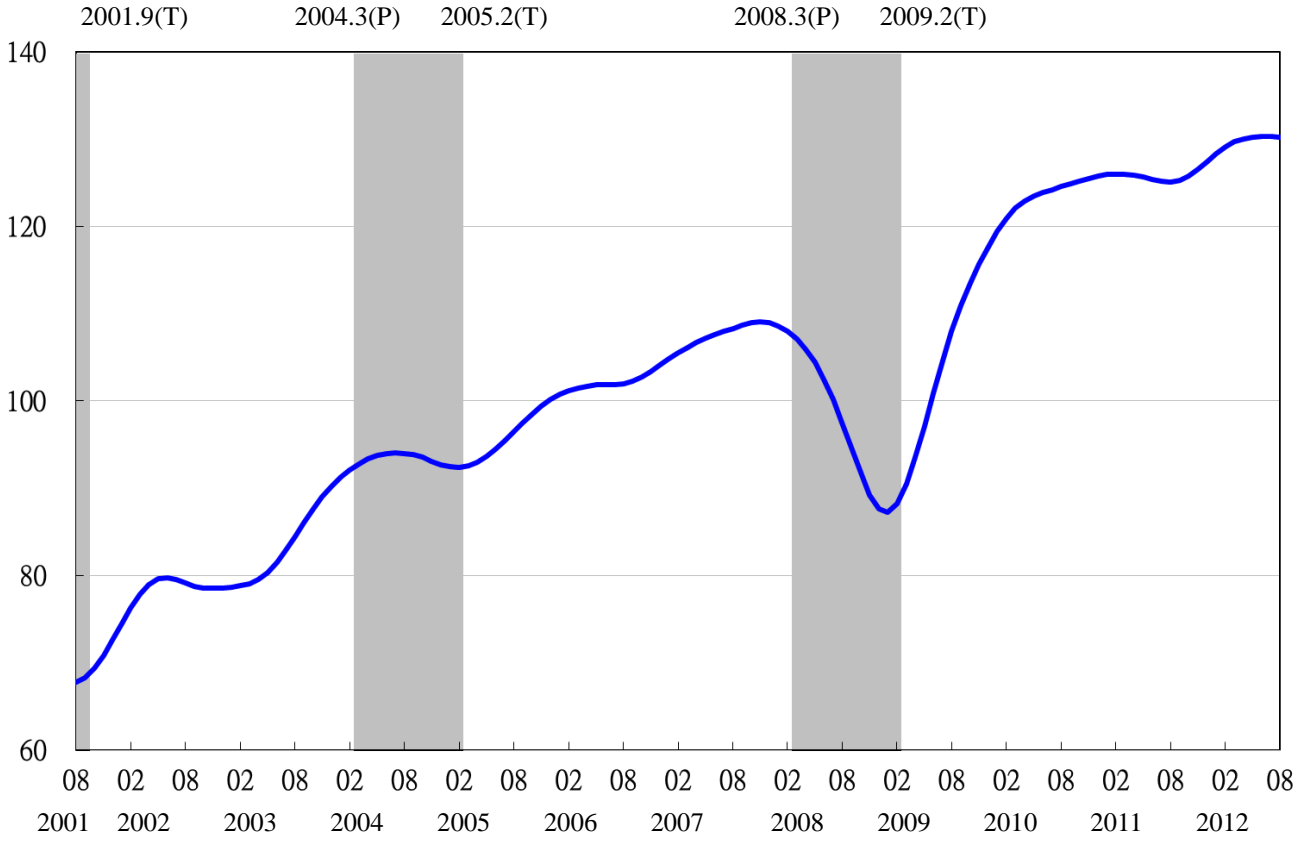
Lagging Indicators

Seasonally adjusted

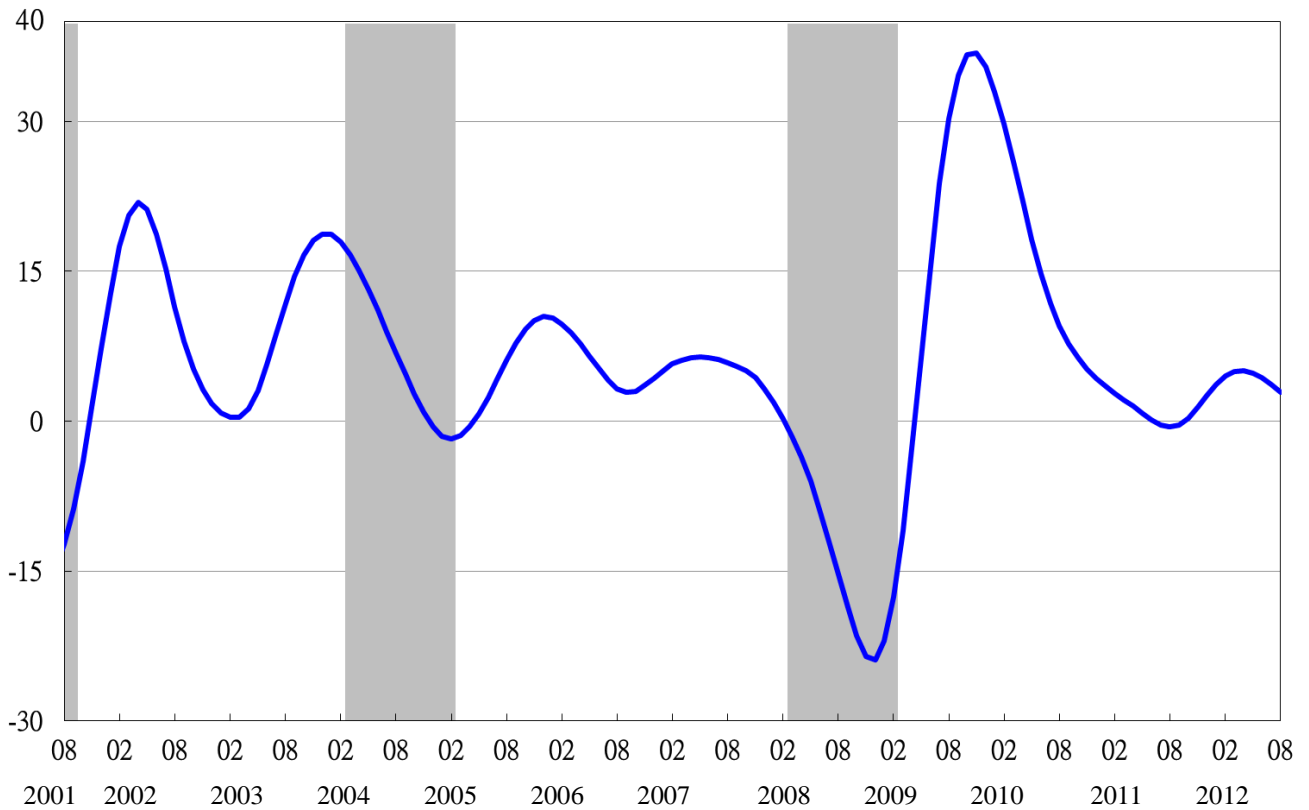
	2012						
	Feb	Mar	Apr	May	Jun	Jul	Aug
Composite Index	135.7	136.0	136.4	136.6	136.7	136.5	136.3
Change from preceding month (%)	0.2	0.3	0.2	0.2	0.1	-0.1	-0.2
Trend adjusted index	103.4	103.2	102.9	102.6	102.2	101.6	100.9
Change from preceding month (%)	-0.3	-0.2	-0.2	-0.3	-0.4	-0.6	-0.6
Components							
Unemployment rate* (%)	4.15	4.14	4.19	4.25	4.24	4.25	4.29
Regular employees on payrolls in industry & services (Thousand persons)	6,719	6,728	6,735	6,740	6,743	6,752	6,761 _p
The manufacturing unit output labor cost index (index 2006=100)	78.0	81.6	81.7	80.6	85.3	79.3	79.3 _p
Interbank overnight call-loan rate (percent per annum)	0.399	0.402	0.476	0.512	0.513	0.445	0.388
Loans and investments of monetary financial institutions (NT\$ billion)	24,336	24,473	24,610	24,670	24,652	24,909	24,986
Inventories to sales ratio for manufacturing (%)	65.3	68.2	70.4	69.3	71.1	69.2	69.6 _p

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

Composite Leading Index

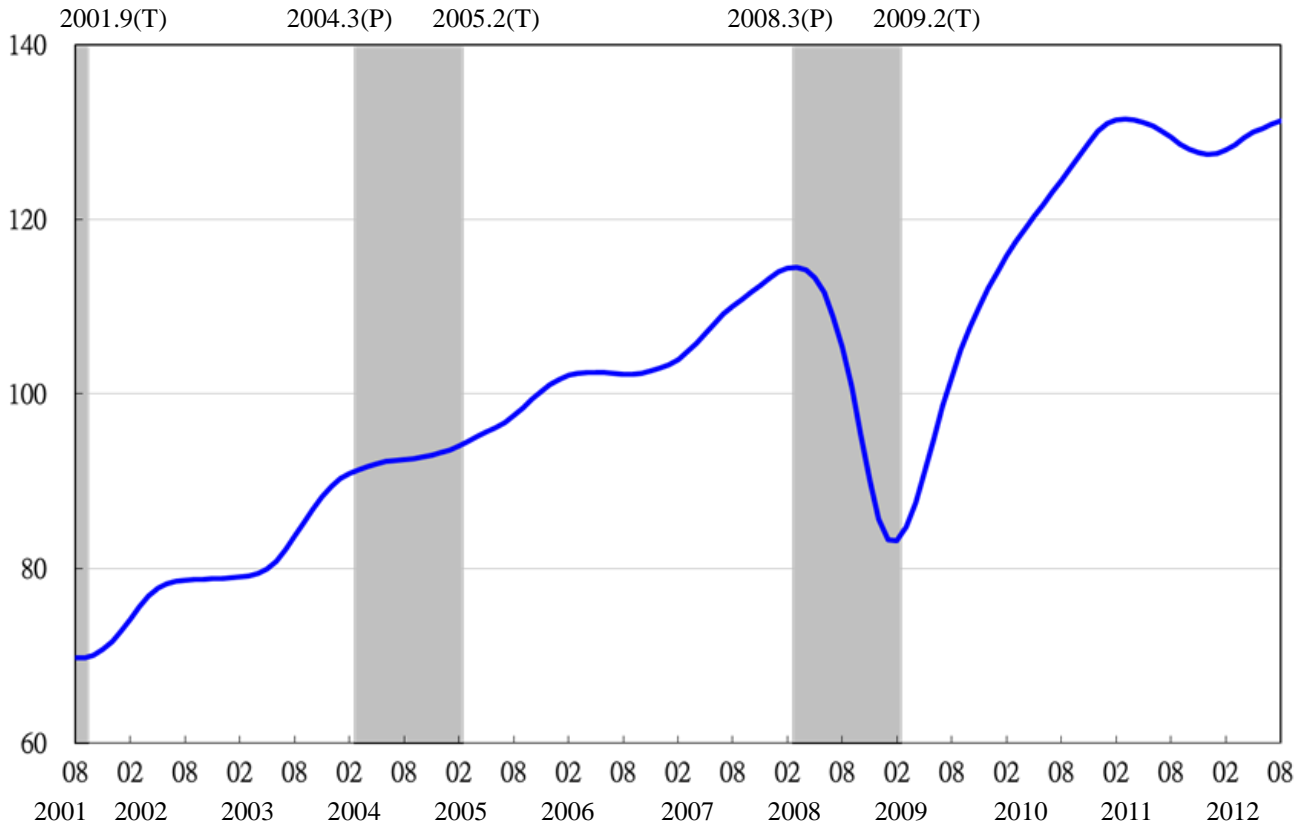


Annualized 6-month rate of change of composite leading index

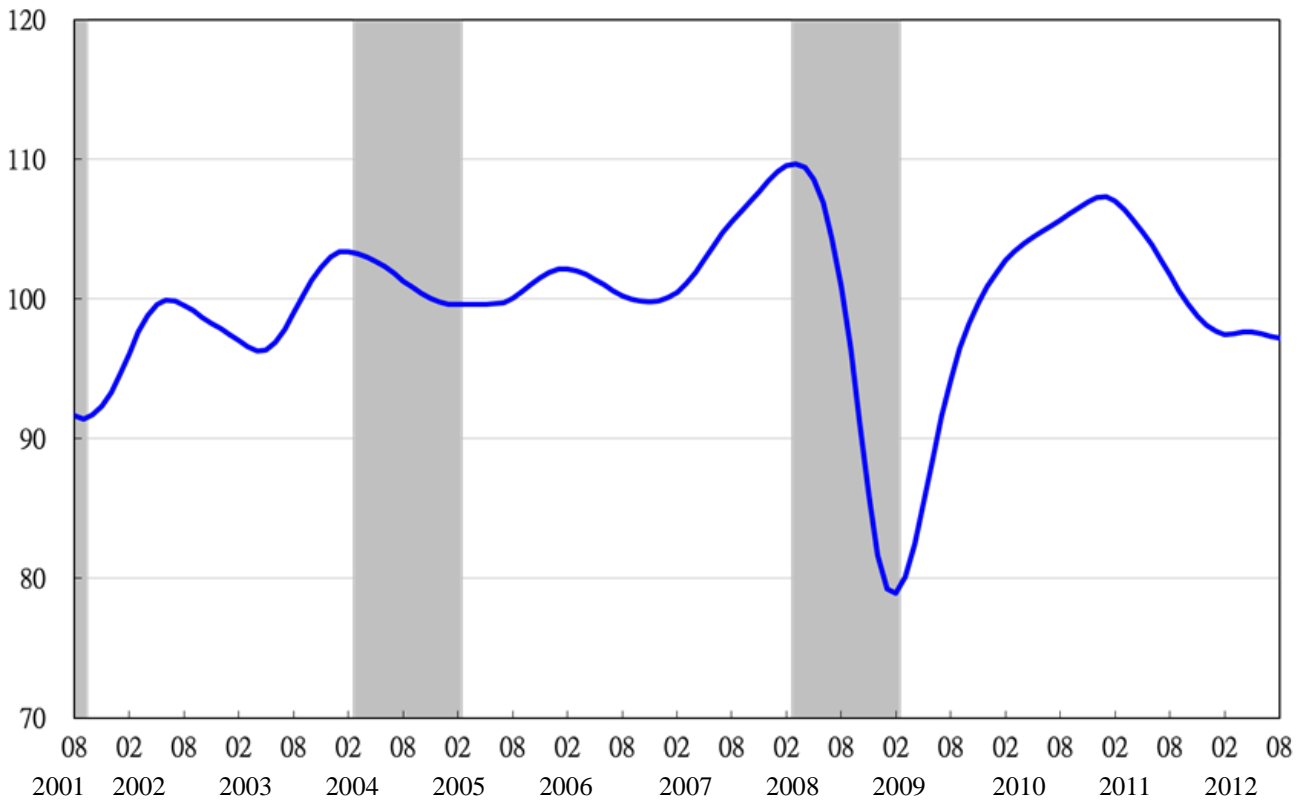


Shaded areas represent recessions.

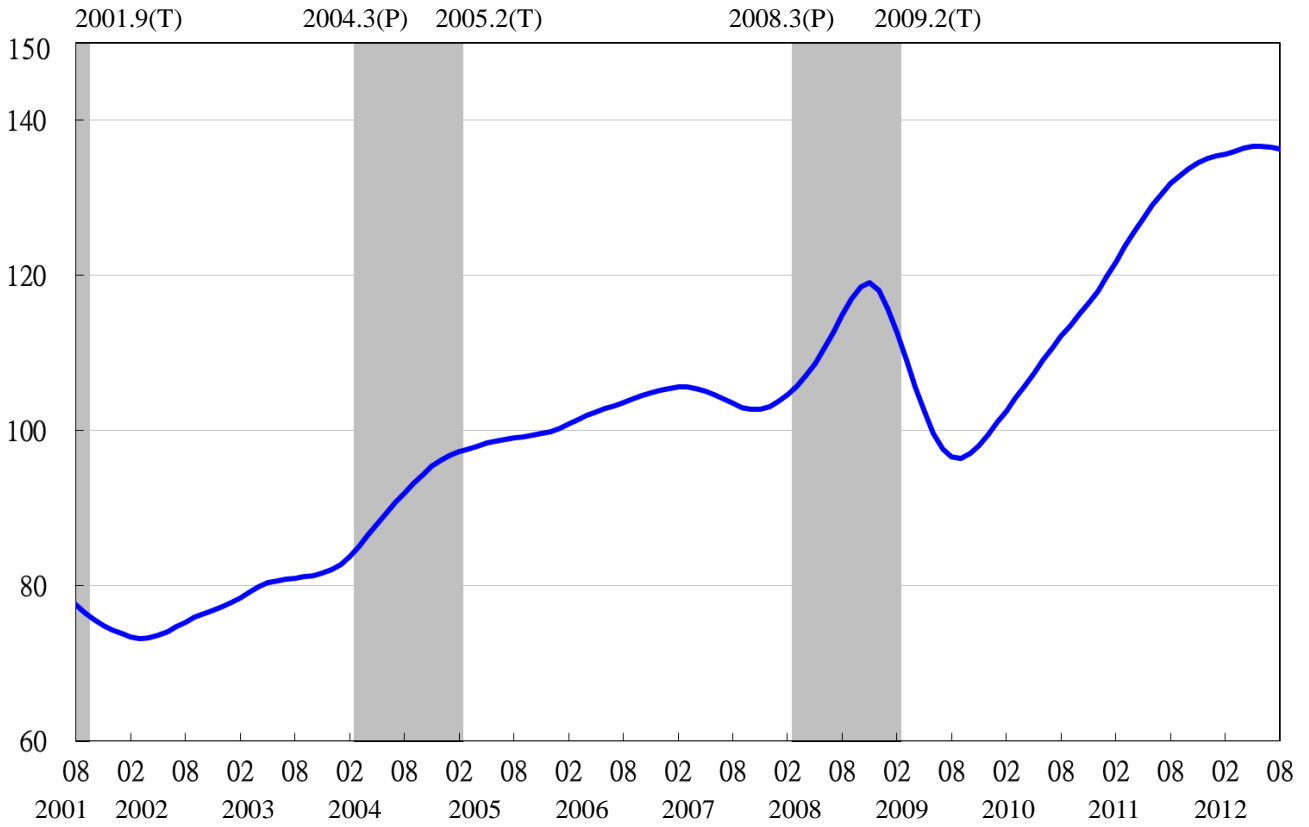
Composite Coincident Index



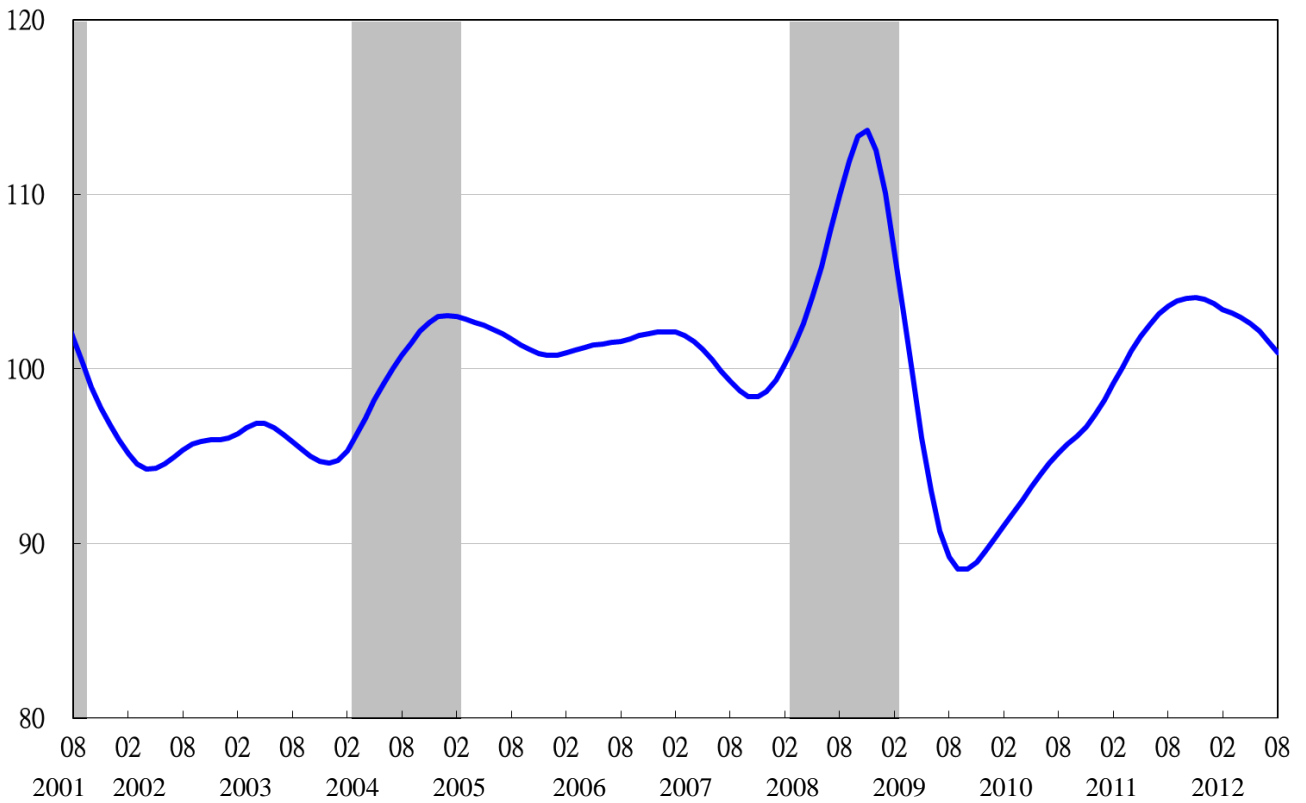
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		2012													
		7	8	9	10	11	12	1	2	3	4	5	6		7
Total	Light														
	Score	23	20	21	19	16	14	13	15	14	14	15	15	16	15
Monetary Aggregates M1B															2.7
Direct and Indirect Finance															4.5
Stock Price Index															-4.6
Industrial Production Index															2.0
Nonagricultural Employment															1.1
Customs-Cleared Exports															0.8
Imports of Machineries and Electrical Equipments															2.1
Manufacturing Sales															-2.6 _p
Sales Index of Wholesale, Retail and Food Services															-2.3

● 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.