

## Taiwan Business Indicators in August 2014

Press Release

National Development Council (NDC)

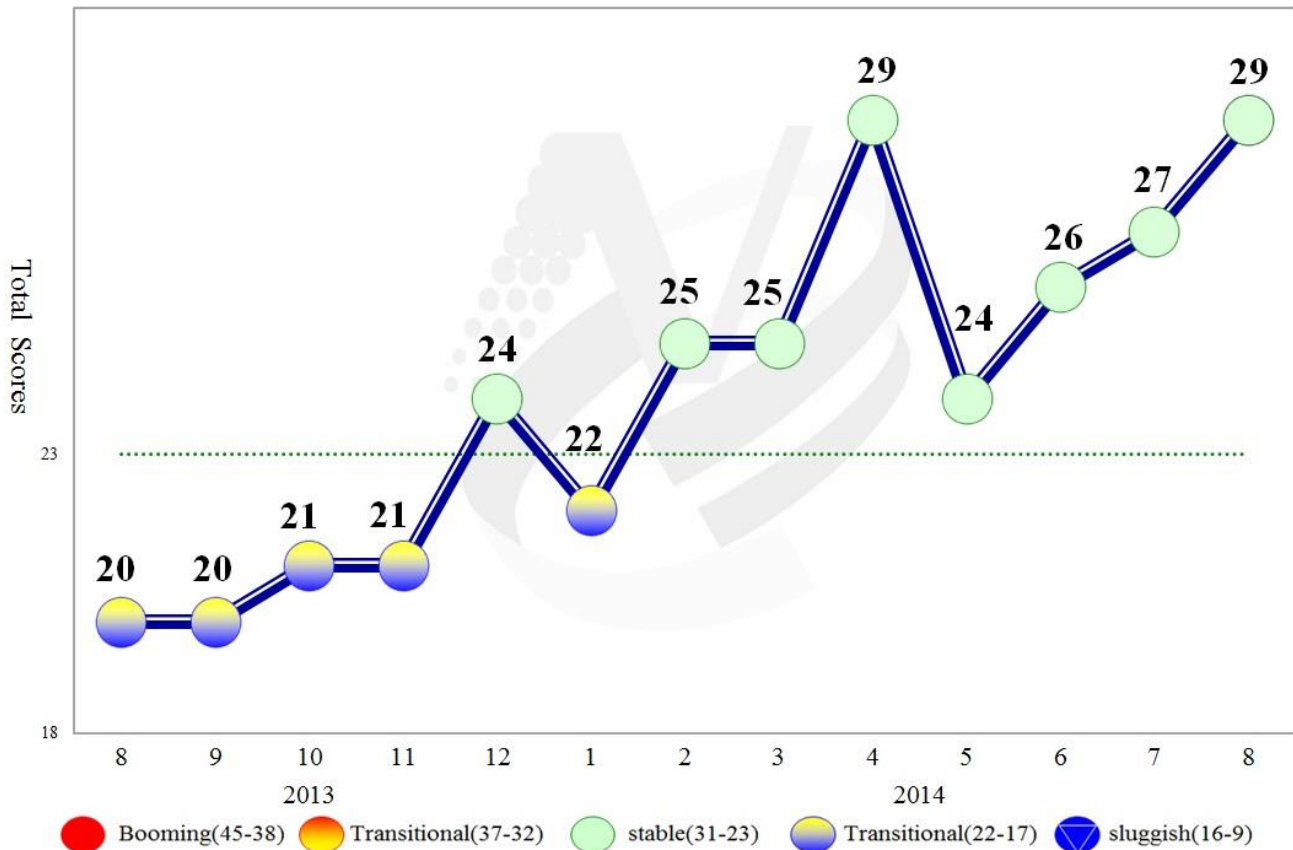
September 26, 2014

In August 2014, the Taiwan Business Indicators showed that the domestic economy continued its steady growth. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.13%, the trend-adjusted coincident index increased by 0.41% from the previous month, and the overall monitoring indicator flashed the "green" signal for the seventh consecutive month.

1. The Monitoring Indicators: The total score in August 2014 increased by two points to 29, flashing the "green" signal for the seventh month. Among the nine components, the industrial production index and the imports of machineries and electrical equipments each gained one point to change its individual light signal from "green" to "yellow-red". The light signal for the rest of eight components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 100.00, down by 0.13% from July 2014. Among the seven indicators making up the trend-adjusted index, TAIEX average closing price, and real monetary aggregates M1B had positive cyclical movements from the previous month, while building permits, net accession rate of employees on payrolls of industry and services, the index of export orders, the TIER manufacturing sector composite indicator, and SEMI book-to-bill ratio had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 101.92, up by 0.41% from July 2014. Among the seven indicators making up the trend-adjusted index, electric power consumption, the industrial production index, real customs-cleared exports, the index of producer's shipment for manufacturing, and real machineries and electrical equipments imports had positive cyclical movements from the previous month, while sales of trade and food services and nonagricultural employment had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 99.68, down by 0.38% from July 2014. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, the inventories to sales ratio for manufacturing, the unemployment rate (inverted), regular employees on payrolls in industry and services, and loans and investments of monetary financial institutions had positive cyclical movements from the previous month, while the interbank overnight call-loan rate had negative cyclical movement.

**~~ The next release is scheduled for October 27 2014 ~~**



**Figure 1 Total Scores in the Past Year**

	2013					2014									
	8	9	10	11	12	1	2	3	4	5	6	7	8		
Total	Light														
	Score	20	20	21	21	24	22	25	25	29	24	26	27	29	
Monetary Aggregates M1B													7.6		7.5
TAIEX Average Closing Price													16.9		16.8
Industrial Production Index													6.2 <sub>r</sub>		8.1
Nonagricultural Employment													1.0		1.0
Customs-Cleared Exports													7.8		8.1
Imports of Machineries and Electrical Equipments													6.1		11.5
Index of producer's shipment for manufacturing													6.4 <sub>r</sub>		3.5 <sub>p</sub>
Sales of Trade and Food Services													2.9		2.7
The TIER Manufacturing Sector Composite Indicator													104.4		102.6

Notes : 1. Individual Components 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.

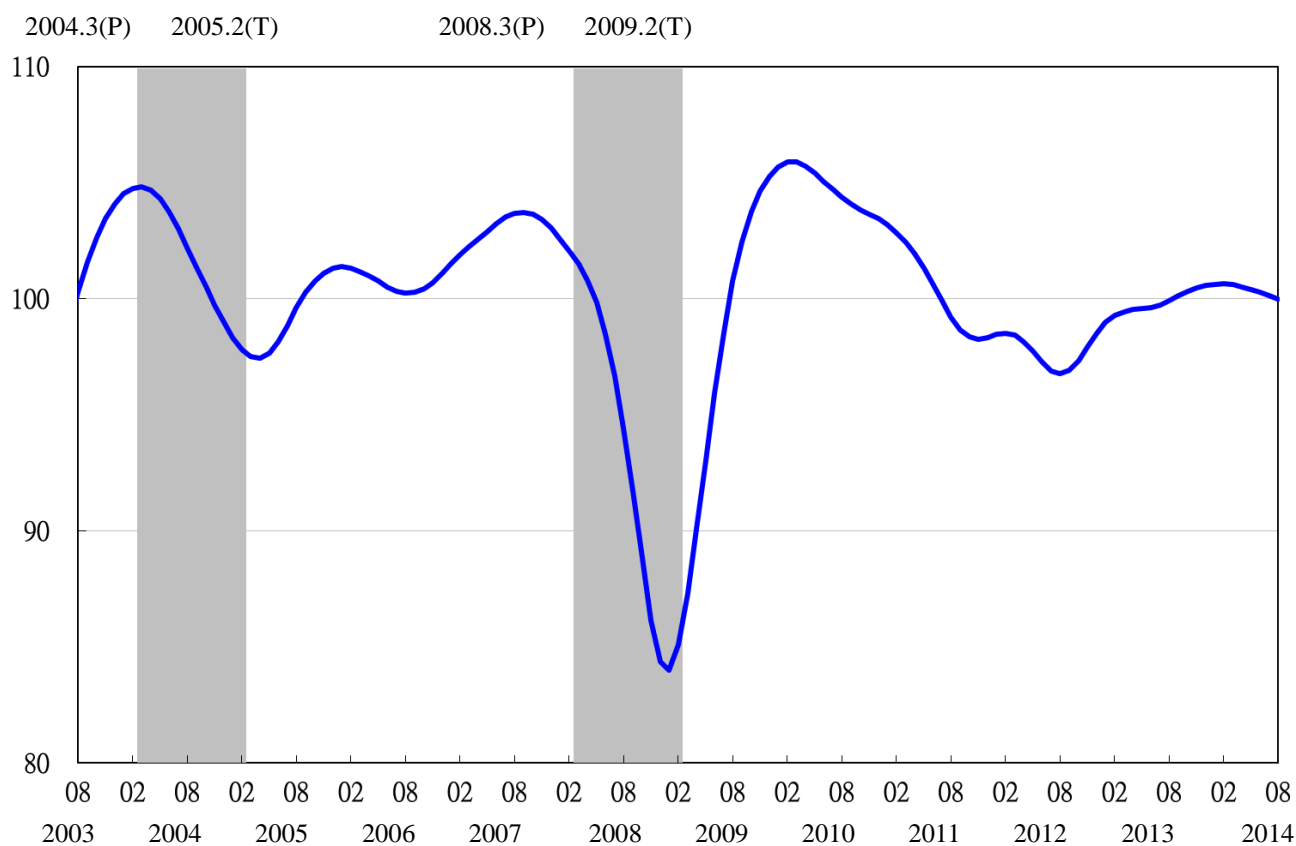
**Figure 2 Monitoring Indicators**

### Table 1 Leading Indicators

	Index						
	2014						
	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Trend adjusted index</b>	100.64	100.60	100.51	100.38	100.26	100.14	100.00
Change from preceding month (%)	0.03	-0.04	-0.09	-0.13	-0.12	-0.13	-0.13
<b>Components</b>							
Index of export orders	100.42	100.36	100.32	100.26	100.20	100.12	100.06
Real monetary aggregates M1B	100.13	100.12	100.11	100.11	100.12	100.13	100.14
TAIEX average closing price	100.09	100.16	100.23	100.31	100.39	100.47	100.53
Net accession rate of employees on payrolls of industry and services *	100.43	100.38	100.28	100.16	100.04	99.93	99.86
Building permits **	100.06	99.95	99.79	99.61	99.47	99.34	99.19
SEMI Book-to-Bill Ratio	100.04	100.02	100.01	100.02	100.04	100.04	100.03
The TIER manufacturing sector composite indicator	100.29	100.41	100.49	100.55	100.58	100.58	100.57

Note : \* Net accession rate is equal to accession rate minus separation rate.

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

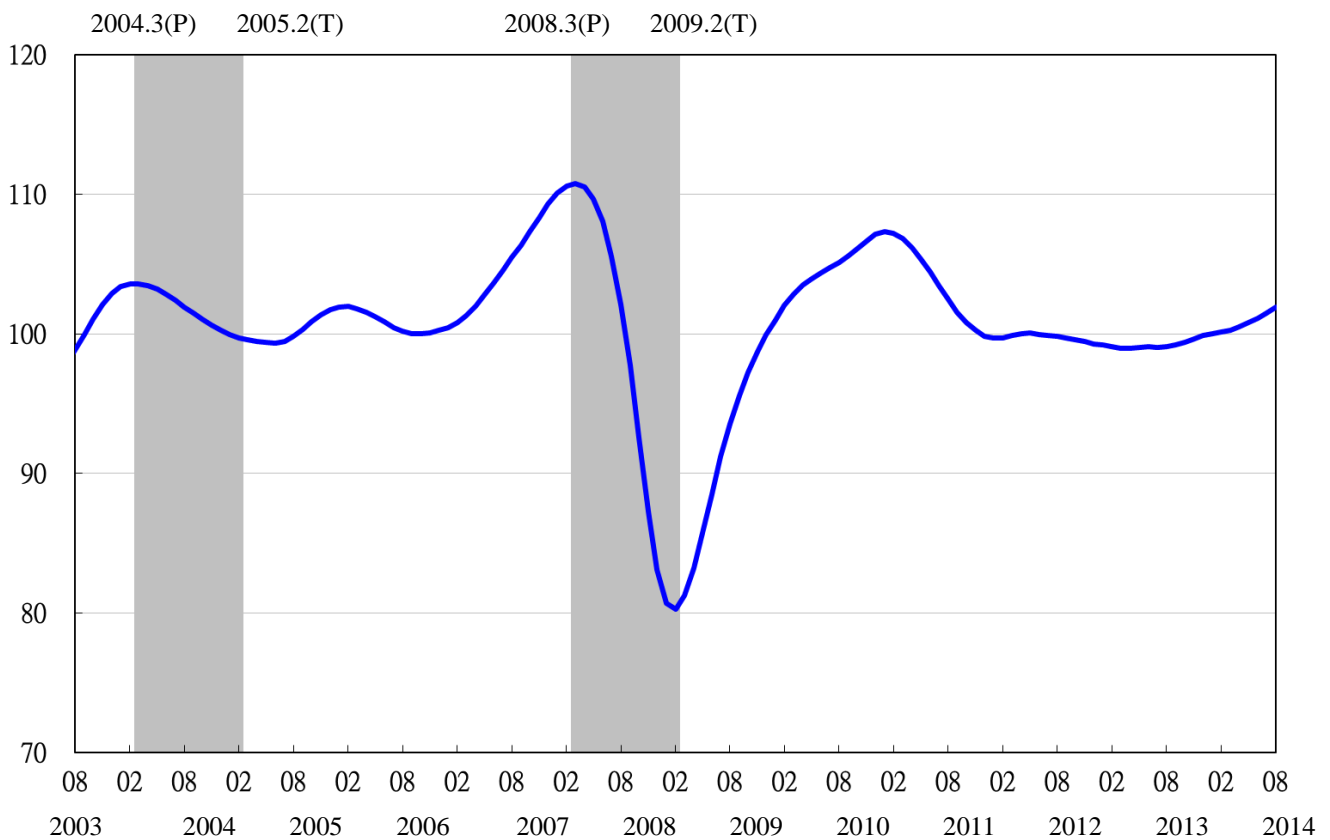


Note: Shaded areas represent recessions.

### Figure 3 Trend-adjusted Leading Index

**Table 2 Coincident Indicators**

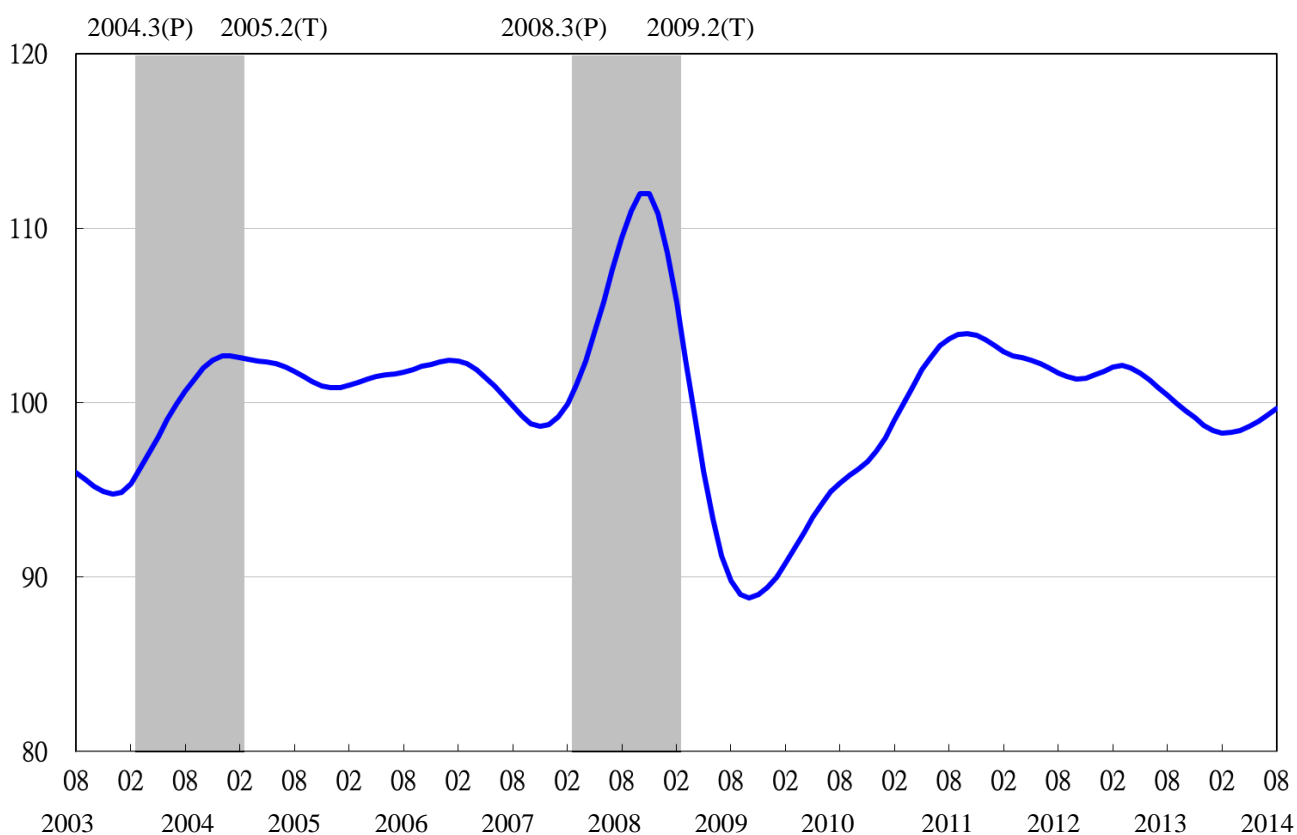
	Index						
	2014						
	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Trend adjusted index</b>	100.13	100.28	100.50	100.77	101.11	101.50	101.92
Change from preceding month (%)	0.12	0.14	0.23	0.27	0.34	0.39	0.41
<b>Components</b>							
Industrial production index	99.84	99.94	100.10	100.31	100.55	100.79	101.05
Electric power consumption	99.38	99.36	99.46	99.66	99.96	100.37	100.84
Index of producer's shipment for manufacturing	100.03	100.17	100.32	100.44	100.55	100.64	100.72
Sales of trade and food services	100.25	100.26	100.28	100.26	100.20	100.10	100.00
Nonagricultural employment	99.74	99.71	99.66	99.59	99.51	99.42	99.33
Real customs-cleared exports	99.74	99.83	99.95	100.08	100.27	100.48	100.70
Real machineries and electrical equipments imports	100.39	100.40	100.39	100.37	100.41	100.46	100.52



**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	Index						
	2014						
	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Trend adjusted index</b>	98.27	98.29	98.42	98.64	98.91	99.30	99.68
Change from preceding month (%)	-0.15	0.03	0.13	0.22	0.28	0.40	0.38
<b>Components</b>							
Unemployment rate	99.70	99.74	99.78	99.83	99.87	99.90	99.93
Regular employees on payrolls in industry & services	99.72	99.74	99.75	99.77	99.80	99.83	99.86
The manufacturing unit output labor cost index	99.28	99.40	99.60	99.85	100.10	100.44	100.73
Interbank overnight call-loan rate**	99.98	99.97	99.97	99.96	99.95	99.94	99.94
Loans and investments of monetary financial institutions	99.85	99.84	99.84	99.84	99.86	99.88	99.90
Inventories to sales ratio for manufacturing	99.46	99.34	99.24	99.18	99.17	99.20	99.27



**Figure 5 Trend-adjusted Lagging Index**