

Taiwan Business Indicators in December 2012

Press Release

Council for Economic Planning and Development

January 28, 2013

In December 2012, Taiwan Business Indicators showed the domestic economy was gradually into stable. 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 0.9 points, the trend-adjusted coincident index decreased by 0.5% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 134.7, up by 0.9% from November 2012. Its annualized six-month rate of change increased by 0.9 points to 6.8%. Among the seven indicators making up the trend-adjusted index, index of export orders, index of producer's inventory for manufacturing (inverted), SEMI book-to-bill ratio, and stock price index had positive cyclical movements from previous month. Average monthly overtime in industry and services, building permits, and real monetary aggregates M1B had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 132.2, down by 0.1% from November 2012. Its trend-adjusted index decreased by 0.5% to 97.3. Among the seven indicators making up the trend-adjusted index, the sales index of trade and food services,¹ and real customs-cleared exports had positive cyclical movements from previous month. Electric power consumption, index of producer's shipment for manufacturing, nonagricultural employment, real machineries and electrical equipments imports, and industrial production index had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 136.6, up by 0.4% from November 2012. Its trend-adjusted index decreased by 0.01% to 100.5. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, loans and investments of monetary financial institutions had positive

¹ To be consistent with the original statistical bureau, "the sales index of wholesale, retail and food services" has renamed as "the sales index of trade and food services" starting from this month.

cyclical movements from previous month. Inventories to sales ratio for manufacturing, 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 November was adjusted upward by one point to 21, following the revision of the sales index of trade and food services. The total score in December increased 2 points to 23, changing the overall light signal from "yellow-blue" to "green". Among the nine components, Customs-cleared exports and machineries and electrical equipments imports each gained one point and changed their individual light signal from "blue" to "yellow-blue". The light signals for the rest of seven components remained unchanged.

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

Leading Indicators

Seasonally adjusted

	2012						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Composite Index	129.9	130.2	130.6	131.4	132.3	133.5	134.7
Change from preceding month (%)	0.2	0.2	0.3	0.6	0.7	0.9	0.9
Annualized 6-month rate of change (%)	4.3	4.1	4.1	4.4	5.1	5.9	6.8
Change from preceding month (point)	-0.2	-0.2	0.0	0.3	0.6	0.8	0.9
Components							
Index of export orders (2006=100)	138.5	138.8	137.2	142.6	141.9	151.7	152.5
Real monetary aggregates M1B (NT\$ billion)	10,996	10,999	11,012	11,053	11,034	11,057	11,181
Stock price index(1966=100)	7,143	7,187	7,410	7,610	7,438	7,256	7,631
Index of producer's Inventory for manufacturing*(2006=100)	129.5	130.0	130.6	132.0	132.6	132.2	133.2 _p
Average monthly overtime in industry and services (hours/month)	8.2	8.1	8.2	8.2	8.1	8.1	8.0 _p
Building Permits ** (1,000m ²)	2,494	2,223	2,054	2,240	2,444	2,640	2,183
SEMI Book-to-Bill Ratio	0.93	0.86	0.82	0.78	0.75	0.79	0.92

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						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Composite Index	130.9	131.3	131.7	132.1	132.3	132.3	132.2
Change from preceding month (%)	0.4	0.4	0.3	0.3	0.2	-0.0	-0.1
Trend adjusted index	98.7	98.6	98.5	98.4	98.1	97.7	97.3
Change from preceding month (%)	-0.0	-0.0	-0.1	-0.1	-0.3	-0.4	-0.5
Components							
Industrial production index(2006=100)	126.8	129.4	129.2	132.8	131.5	132.4	131.5
Electric power consumption (billion kWh)	11.28	11.78	11.75	11.21	11.94	11.60	10.77
Index of producer's shipment for manufacturing (2006=100)	127.0	128.4	129.0	133.0	132.5	130.5	128.8 _p
Sales index of trade and food services*(2006=100)	108.9	108.8	108.0	109.6	109.9	111.5	111.9
Nonagricultural employment (1,000)	10,315	10,313	10,318	10,341	10,353	10,357	10,374
Real customs-cleared exports (NT\$ billion)	763.7	758.8	770.6	846.4	802.6	786.8	818.1
Real machineries and electrical equipments imports (NT\$ billion)	242.3	264.9	237.9	237.4	235.5	227.4	248.1

Note: * To be consistent with the original statistical bureau, "the sales index of wholesale, retail and food services" has renamed as "the sales index of trade and food services" starting from this month.

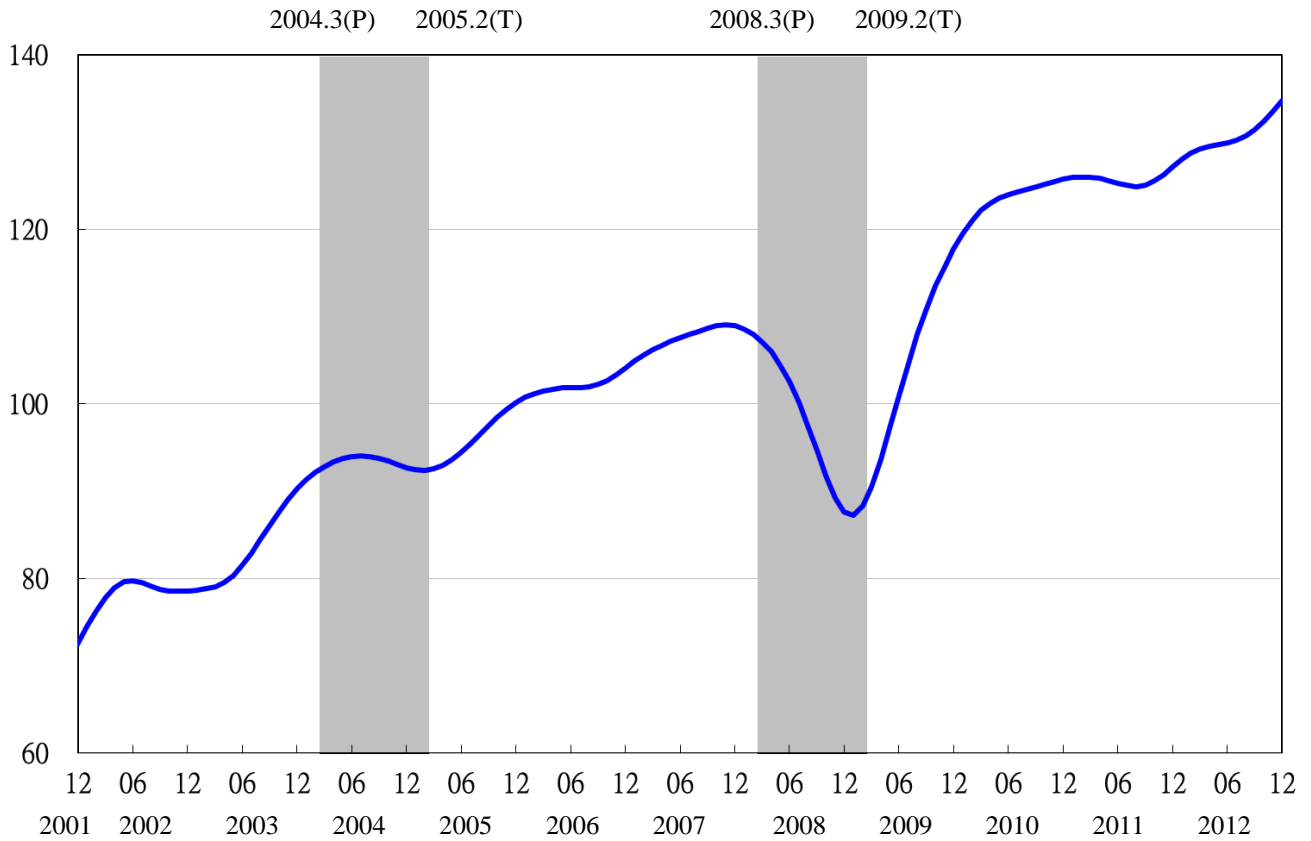
Lagging Indicators

Seasonally adjusted

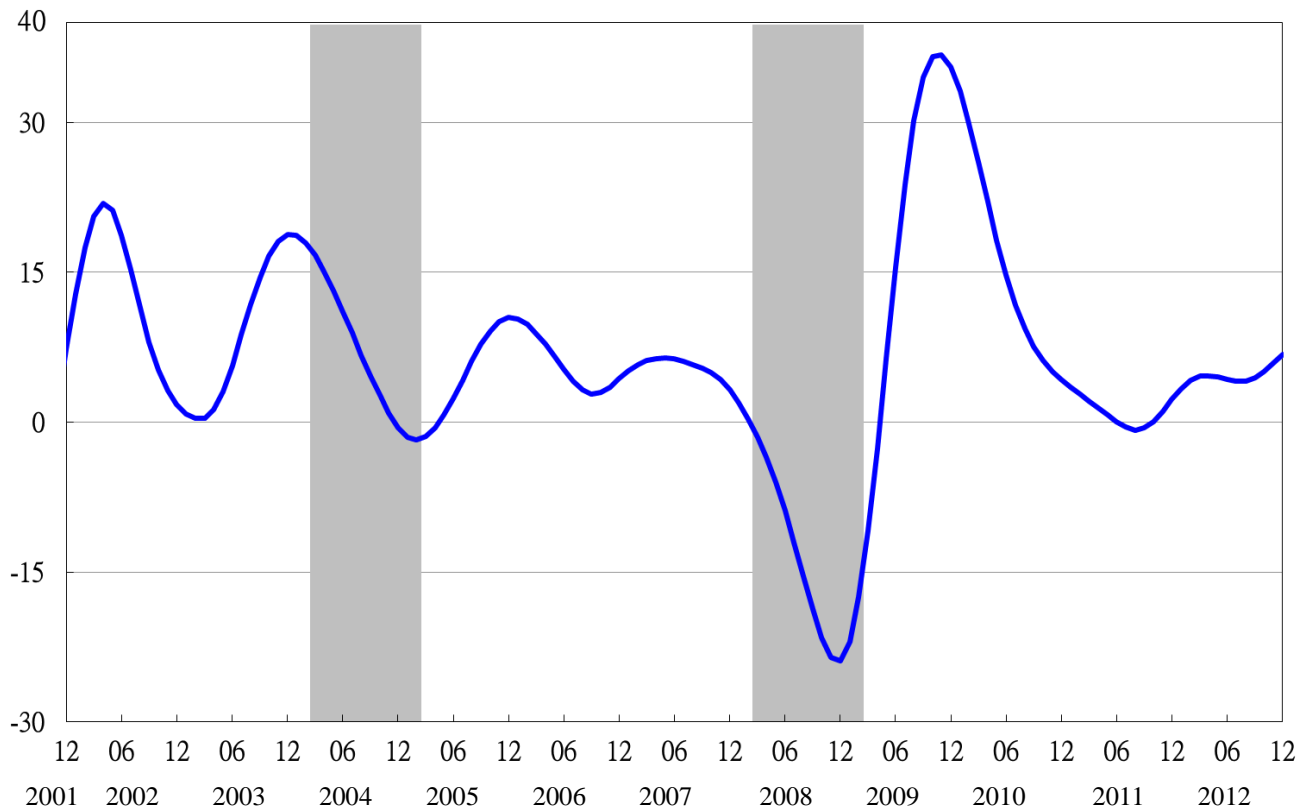
	2012						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Composite Index	135.3	135.3	135.3	135.4	135.7	136.1	136.6
Change from preceding month (%)	0.1	0.0	0.0	0.1	0.2	0.3	0.4
Trend adjusted index	102.0	101.6	101.2	100.9	100.7	100.6	100.5
Change from preceding month (%)	-0.3	-0.4	-0.4	-0.3	-0.2	-0.1	-0.01
Components							
Unemployment rate* (%)	4.24	4.25	4.29	4.30	4.30	4.27	4.22
Regular employees on payrolls in industry & services (Thousand persons)	6,744	6,752	6,761	6,767	6,774	6,784	6,797 _p
The manufacturing unit output labor cost index (index 2006=100)	85.8	80.2	81.2	84.7	81.3	81.4	85.6 _p
Interbank overnight call-loan rate (percent per annum)	0.513	0.445	0.388	0.389	0.388	0.386	0.388
Loans and investments of monetary financial institutions (NT\$ billion)	24,649	24,903	24,991	25,080	25,248	25,339	25,506
Inventories to sales ratio for manufacturing (%)	71.7	69.1	68.1	67.5	68.0	67.7	68.4 _p

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

Composite Leading Index

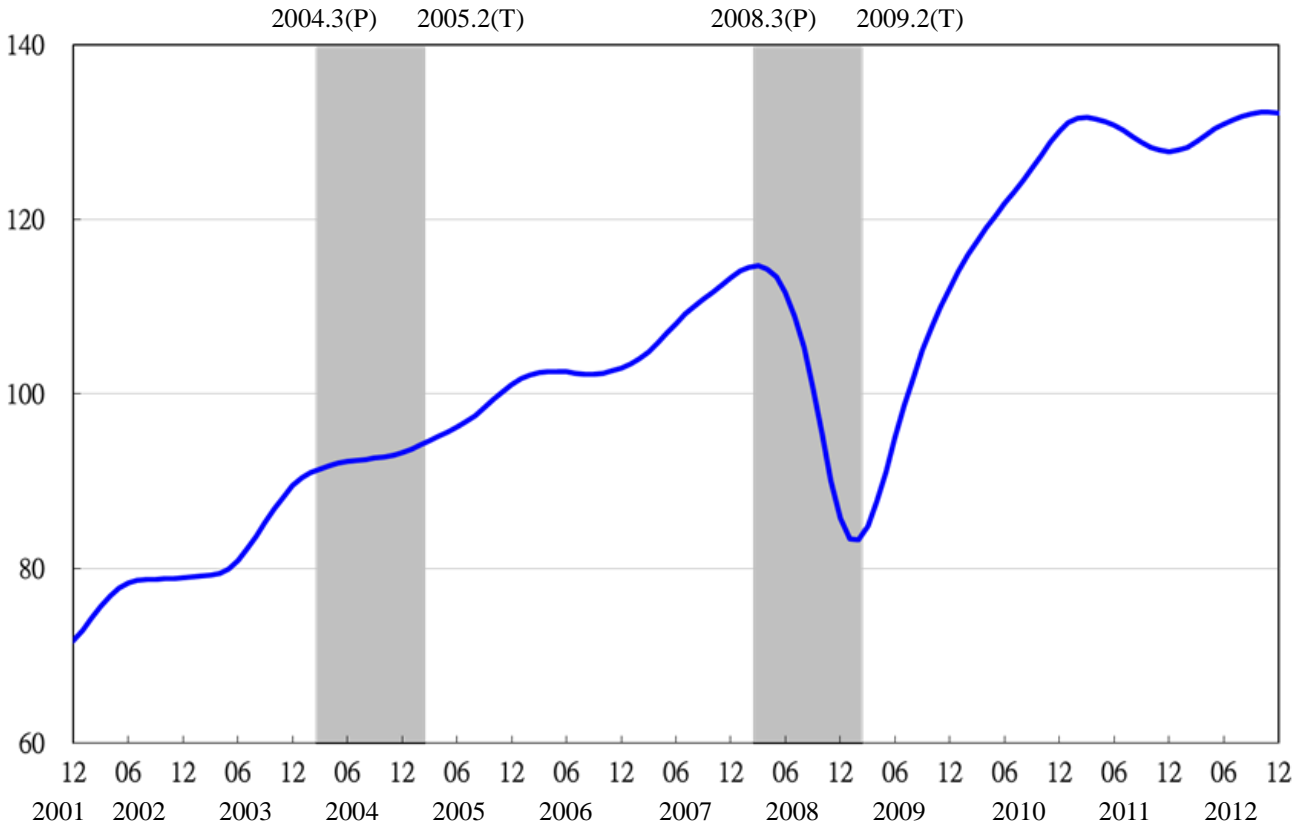


Annualized 6-month rate of change of composite leading index

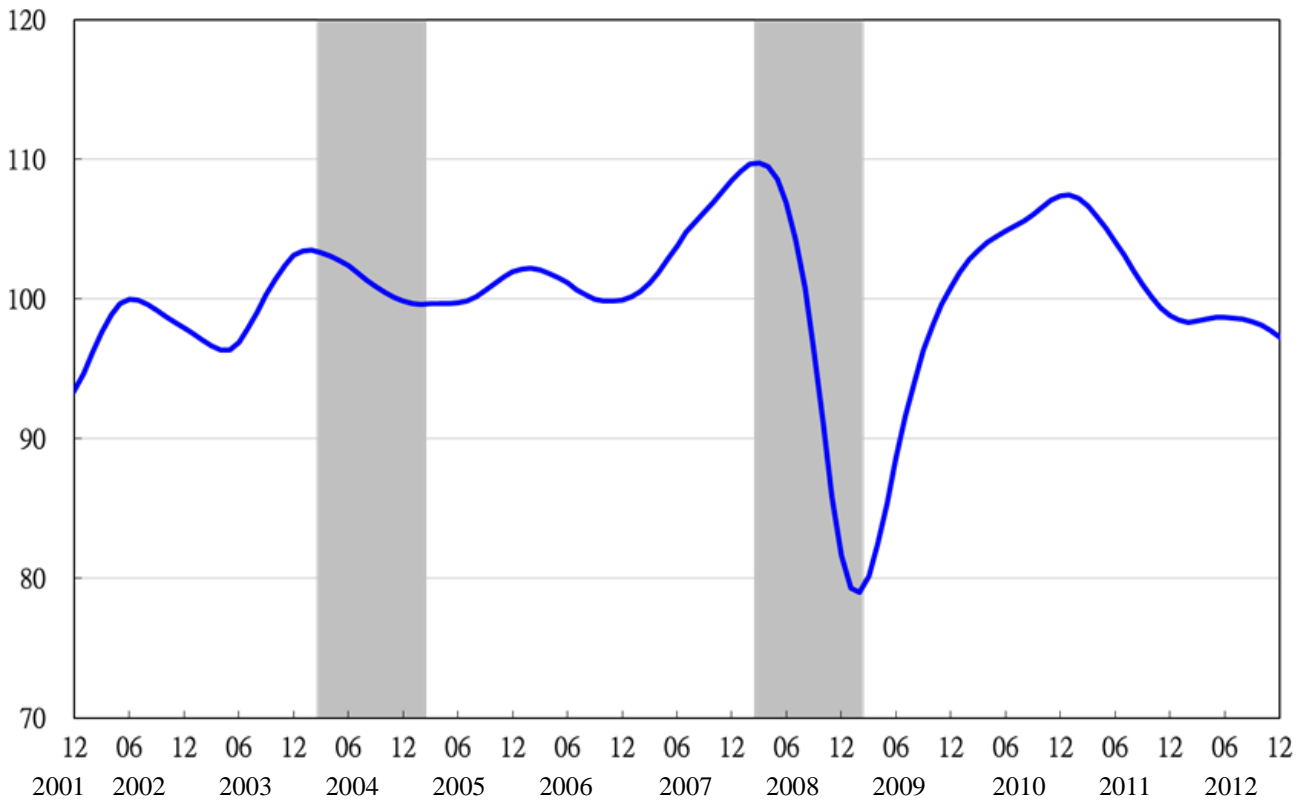


Shaded areas represent recessions.

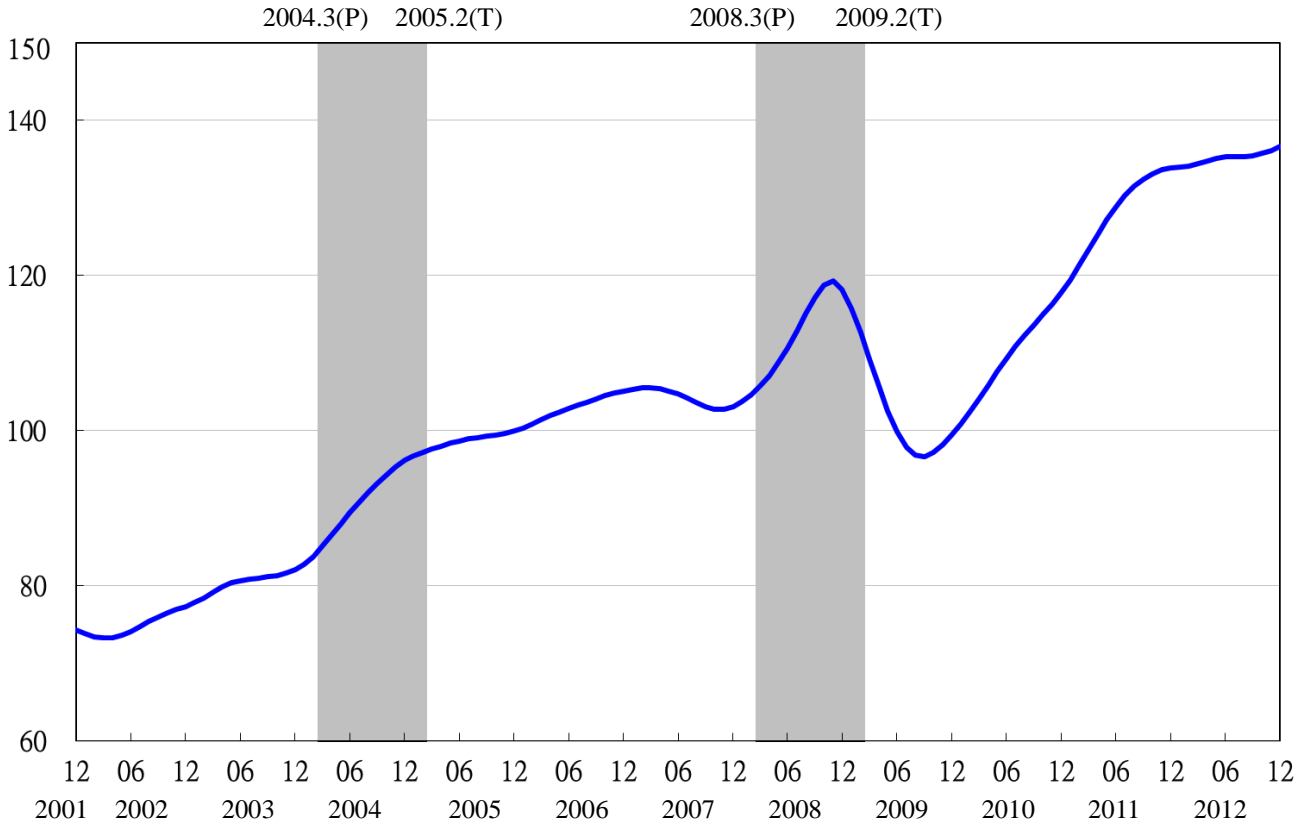
Composite Coincident Index



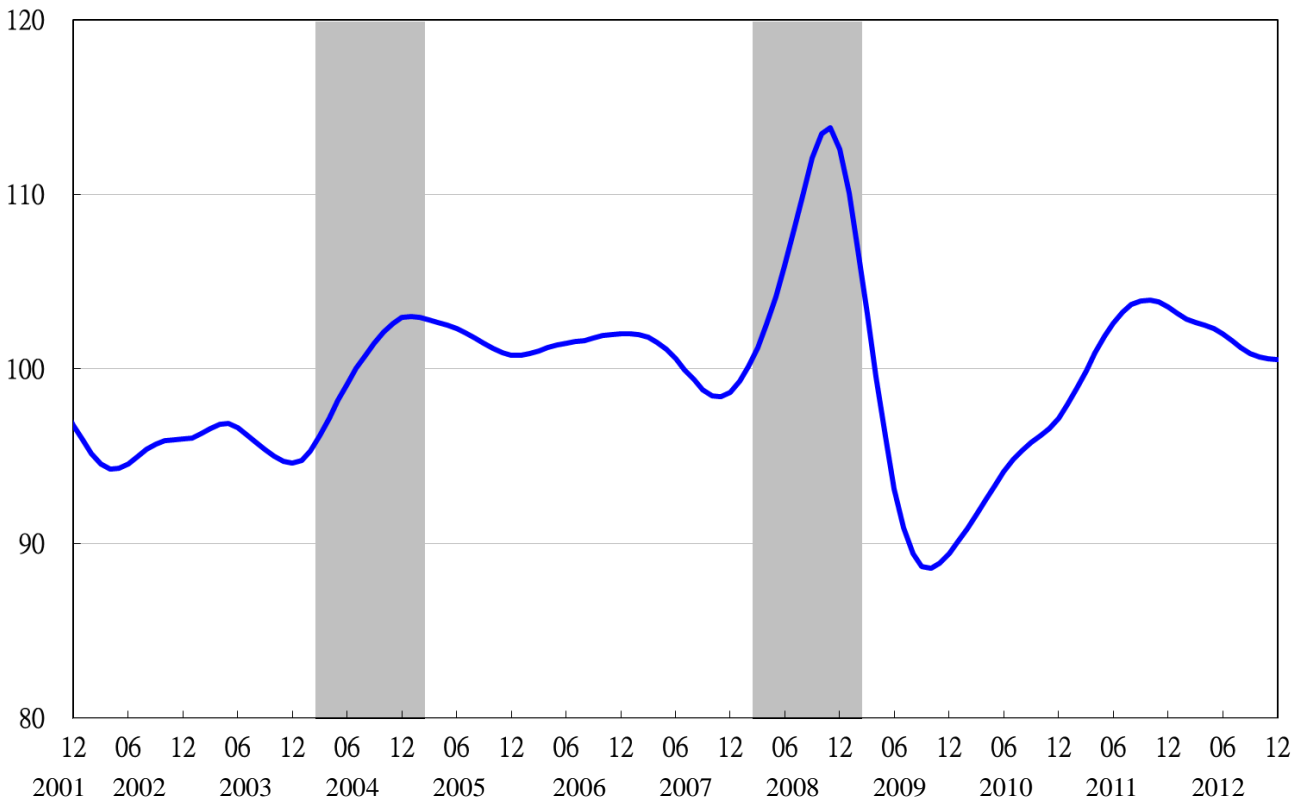
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

	2011		2012												
	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
Total	Light														
	Score	16	14	13	15	14	14	15	15	16	15	20	19	21 _r	23
Monetary Aggregates M1B															4.8
Direct and Indirect Finance															4.4
Stock Price Index															9.5
Industrial Production Index															4.7
Nonagricultural Employment															1.28
Customs-Cleared Exports															3.6
Imports of Machineries and Electrical Equipments															-2.1
Manufacturing Sales															0.1 _p
Sales Index of Trade and Food Services															5.4

● 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.