

## Taiwan Business Indicators in December 2014

Press Release

National Development Council (NDC)

January 27, 2015

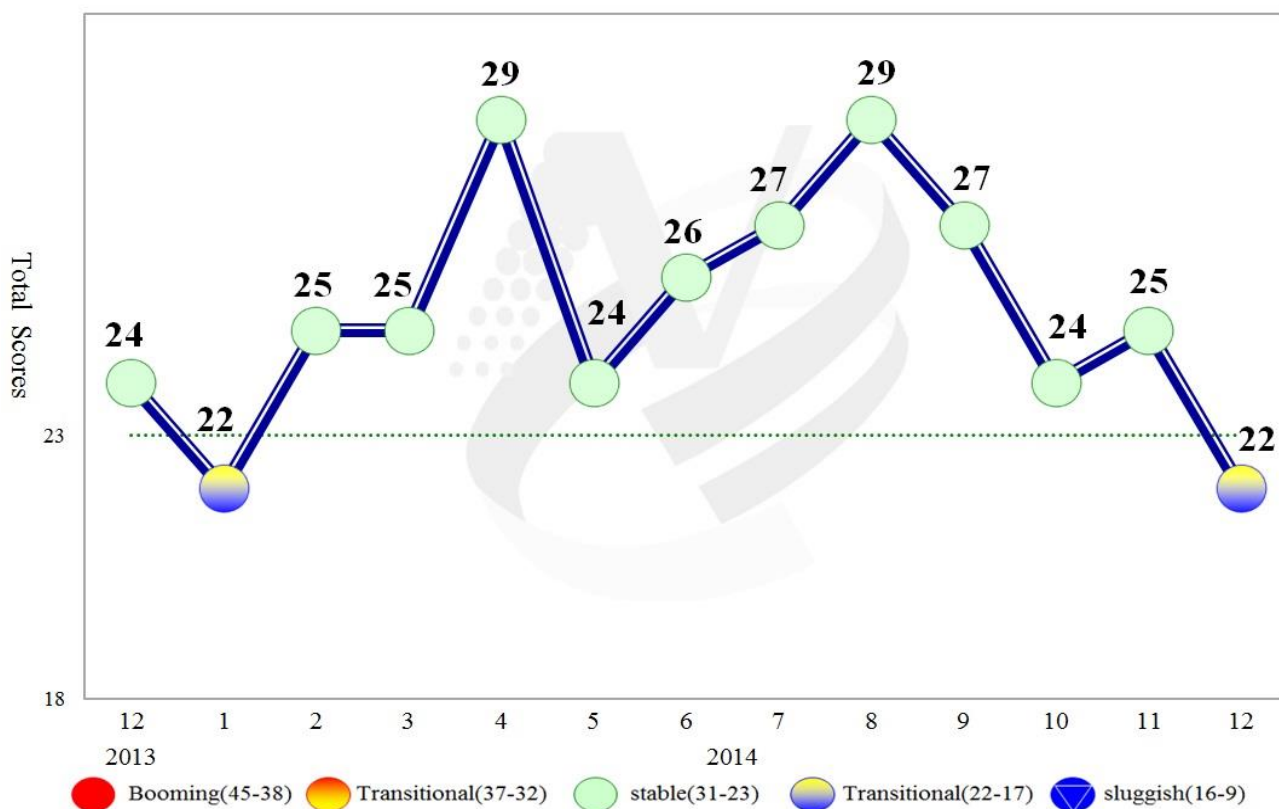
In December 2014, the Taiwan Business Indicators showed that the domestic economy remained broadly stable. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.06%, the trend-adjusted coincident index increased by 0.08% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. The Monitoring Indicators: Total scores in December 2014 decreased by three points to 22, flashing the "yellow-blue" signal for the first month. Among the nine components, the customs-cleared exports and the index of producer's shipment for manufacturing each lost one point to change its individual light from "green" to "yellow-blue", the imports of machineries and electrical equipments lost two points to change its individual light signal from "yellow-red" to "yellow-blue", while the TIER manufacturing sector composite indicator gained one point to change its individual light signal from "yellow-blue" to "green". The light signal for the rest of five components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 99.66, down by 0.06% from November 2014. Among the seven indicators making up the trend-adjusted index, the index of export orders, and real monetary aggregates M1B had positive cyclical movements from the previous month, while the TIER manufacturing sector composite indicator, building permits, SEMI book-to-bill ratio, TAIEX average closing price, 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 101.68, up by 0.08% from November 2014. Among the seven indicators making up the trend-adjusted index, real machineries electrical equipments imports, the industrial production index, sales of trade and food services, and nonagricultural employment had positive cyclical movements from the previous month, while electric power consumption, real customs-cleared exports, 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 99.19, up by 0.03% from November 2014. Among the six indicators making up the trend-adjusted index, the inventories to sales ratio for manufacturing, the unemployment rate (inverted), and regular employees on payrolls in industry and services had positive cyclical movements from the previous month, while the manufacturing unit output labor cost index, loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had negative cyclical movements.

**~~ The next release is scheduled for March 5 2015 ~~**



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

		2013	2014													
		12	1	2	3	4	5	6	7	8	9	10	11	12		
Total	Light															
	Score	24	22	25	25	29	24	26	27	29	27	24	25	22		
Monetary Aggregates M1B													7.0 <sub>r</sub>		6.9	
TAIEX Average Closing Price														9.5		8.0
Industrial Production Index														7.8 <sub>r</sub>		5.6
Nonagricultural Employment														1.1		1.1
Customs-Cleared Exports														6.9 <sub>r</sub>		3.4
Imports of Machineries and Electrical Equipments														20.6 <sub>r</sub>		-3.6
Index of producer's shipment for manufacturing														3.4 <sub>r</sub>		1.6 <sub>p</sub>
Sales of Trade and Food Services														1.2 <sub>r</sub>		1.5
The TIER Manufacturing Sector Composite Indicator														94.3		97.2

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**

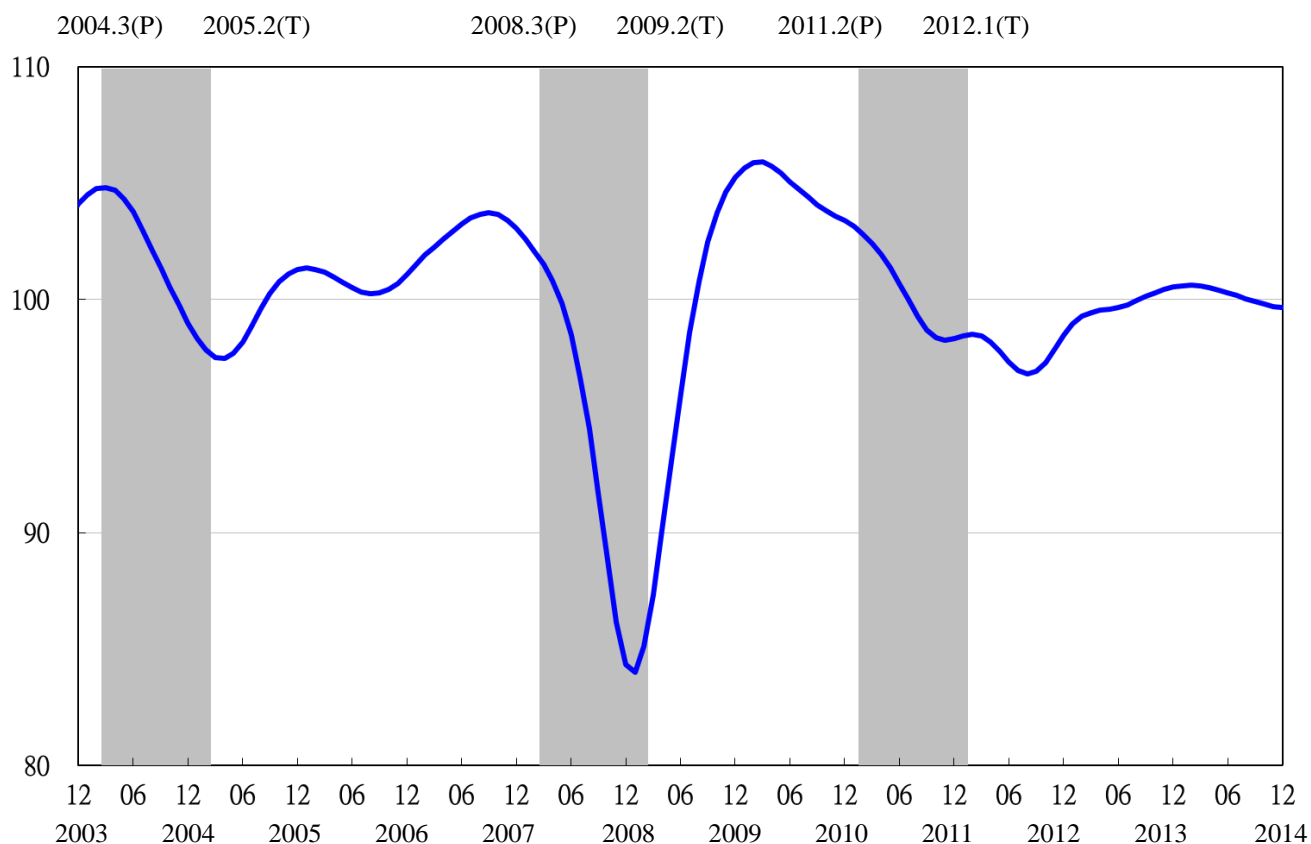
**Table 1 Leading Indicators**

	Index						
	2014						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Trend adjusted index</b>	100.30	100.18	100.04	99.91	99.79	99.71	99.66
Change from preceding month (%)	-0.11	-0.12	-0.14	-0.13	-0.12	-0.08	-0.06
<b>Components<sup>1</sup></b>							
Index of export orders	99.55	99.78	100.18	100.72	101.28	101.83	102.36
Real monetary aggregates M1B	100.02	100.03	100.04	100.08	100.13	100.20	100.27
TAIEX average closing price	100.34	100.35	100.31	100.24	100.15	100.07	99.99
Net accession rate of employees on payrolls of industry and services <sup>2</sup>	100.13	100.07	100.03	99.99	99.97	99.95	99.94
Building permits <sup>3</sup>	99.86	99.73	99.57	99.40	99.21	99.04	98.86
SEMI Book-to-Bill Ratio	100.17	100.08	99.93	99.77	99.64	99.55	99.46
The TIER manufacturing sector composite indicator	100.81	100.65	100.38	100.02	99.63	99.26	98.91

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.

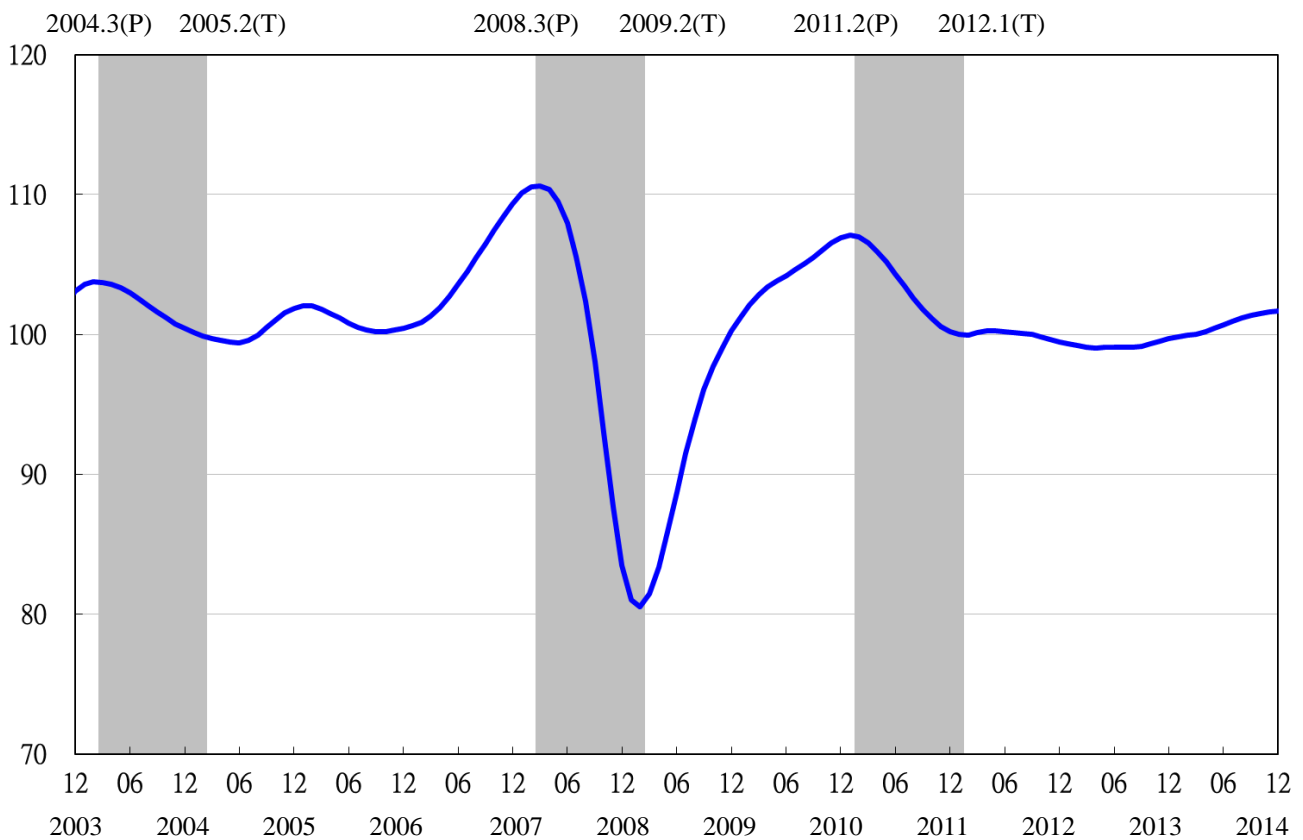


Note: Shaded areas represent recessions.

**Figure 3 Trend-adjusted Leading Index**

**Table 2 Coincident Indicators**

	Index						
	2014						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Trend adjusted index</b>	100.67	100.92	101.15	101.33	101.48	101.60	101.68
Change from preceding month (%)	0.24	0.25	0.23	0.18	0.14	0.12	0.08
<b>Components</b>							
Industrial production index	100.13	100.33	100.52	100.69	100.84	100.98	101.10
Electric power consumption	99.81	100.04	100.24	100.33	100.35	100.28	100.14
Index of producer's shipment for manufacturing	100.36	100.43	100.47	100.49	100.49	100.48	100.47
Sales of trade and food services	100.15	100.08	100.03	100.01	100.03	100.09	100.18
Nonagricultural employment	99.65	99.63	99.64	99.66	99.70	99.74	99.78
Real customs-cleared exports	100.14	100.22	100.27	100.25	100.21	100.15	100.08
Real machineries and electrical equipments imports	100.05	100.10	100.18	100.29	100.41	100.57	100.71



**Figure 4 Trend-adjusted Coincident Index**

