

## Taiwan Business Indicators in February 2013

Press Release

Council for Economic Planning and Development

March 27, 2013

In February 2013, Taiwan Business Indicators showed the domestic economy was gradually into stable, but still faced several 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 increased by 1.1 points, the trend-adjusted coincident index decreased by 0.1% from the previous month, and the overall monitoring indicator flashed the " yellow-blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 137.6, up by 1.1% from January 2013. Its annualized six-month rate of change increased by 1.1 points to 9.8%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, building permits, average monthly overtime in industry and services, stock price index, and real monetary aggregates M1B had positive cyclical movements from previous month. Index of export orders and index of producer's inventory for manufacturing (inverted) had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 134.7, up by 0.3% from January 2013. Its trend-adjusted index decreased by 0.1% to 98.8. Among the seven indicators making up the trend-adjusted index, real machineries and electrical equipments imports, and electric power consumption had positive cyclical movements from previous month. Index of producer's shipment for manufacturing, real customs-cleared exports, industrial production index, nonagricultural employment, and sales index of trade and food services had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 137.3, up by 0.6% from January 2013. Its trend-adjusted index increased by 0.2% to 100.7. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, inventories to sales ratio for manufacturing, loans and investments of monetary financial institutions had positive cyclical movements from previous month. 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 February was increased by one point to 20, flashing the “yellow-blue” signal for the sixth consecutive month. Among the nine components, industrial production index and nonagricultural employment each changed its individual light signal from “yellow-blue” to “green”, imports of machineries and electrical equipments changed its individual light signal from “blue” to “yellow-blue”, each gained one point. Customs-cleared exports changed its individual light signal from “yellow-blue” to “blue”, sales index of trade and food services changed its individual light signal from “green” to “yellow-blue”, each lost one point. The light signals for the rest of four components remained unchanged.

~~ The next release is scheduled for April 26 2013 ~~

### Leading Indicators

	Seasonally adjusted						
	2012					2013	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Composite Index</b>	129.9	130.7	131.8	133.2	134.6	136.1	137.6
Change from preceding month (%)	0.4	0.6	0.8	1.0	1.1	1.1	1.1
Annualized 6-month rate of change (%)	3.7	4.2	5.1	6.3	7.5	8.7	9.8
Change from preceding month (point)	0.1	0.5	0.9	1.2	1.2	1.2	1.1
<b>Components</b>							
Index of export orders (2011=100)	100.7	104.8	104.3	111.5	112.0	107.2	102.8
Real monetary aggregates M1B (NT\$ billion)	11,624	11,716	11,795	11,865	11,945	11,994	11,964
Stock price index(1966=100)	7,410	7,610	7,438	7,256	7,631	7,759	7,933
Index of producer's Inventory for manufacturing*(2006=100)	130.1	131.4	132.1	131.6	132.5	133.4	135.1 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	8.2	8.2	8.2	8.1	8.2	8.2	8.7 <sub>p</sub>
Building Permits ** (1,000m <sup>2</sup> )	2,063	2,263	2,483	2,689	2,274	2,759	2,924
SEMI Book-to-Bill Ratio	0.82	0.78	0.75	0.79	0.92	1.11	1.10

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					2013	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Composite Index</b>	132.2	132.7	133.1	133.5	133.9	134.3	134.7
Change from preceding month (%)	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Trend adjusted index	99.2	99.2	99.2	99.1	99.0	98.9	98.8
Change from preceding month (%)	-0.0	-0.0	-0.0	-0.1	-0.1	-0.0	-0.1
<b>Components</b>							
Industrial production index(2006=100)	129.4	131.3	131.9	132.3	131.2	132.1	131.6
Electric power consumption (billion kWh)	11.75	11.22	11.95	11.62	10.88	12.03	11.73
Index of producer's shipment for manufacturing (2006=100)	129.0	132.8	132.3	129.9	127.9	130.5	126.7 <sub>p</sub>
Sales index of trade and food services (2006=100)	108.0	109.6	109.9	111.4	111.7	110.5	110.1
Nonagricultural employment (1,000)	10,318	10,340	10,353	10,356	10,374	10,383	10,404
Real customs-cleared exports (NT\$ billion)	751.0	822.3	776.5	757.2	787.5	772.0	750.0
Real machineries and electrical equipments imports* (NT\$ billion)	191.6	191.6	190.8	181.6	204.5	218.4	211.0

Note : \*Due to the original statistical bureau no longer compiling "electronic machinery" import price index, this deflator has replaced with "machinery, electrical equipment, TV image & sound recorders, etc." import price index starting from January 2013.

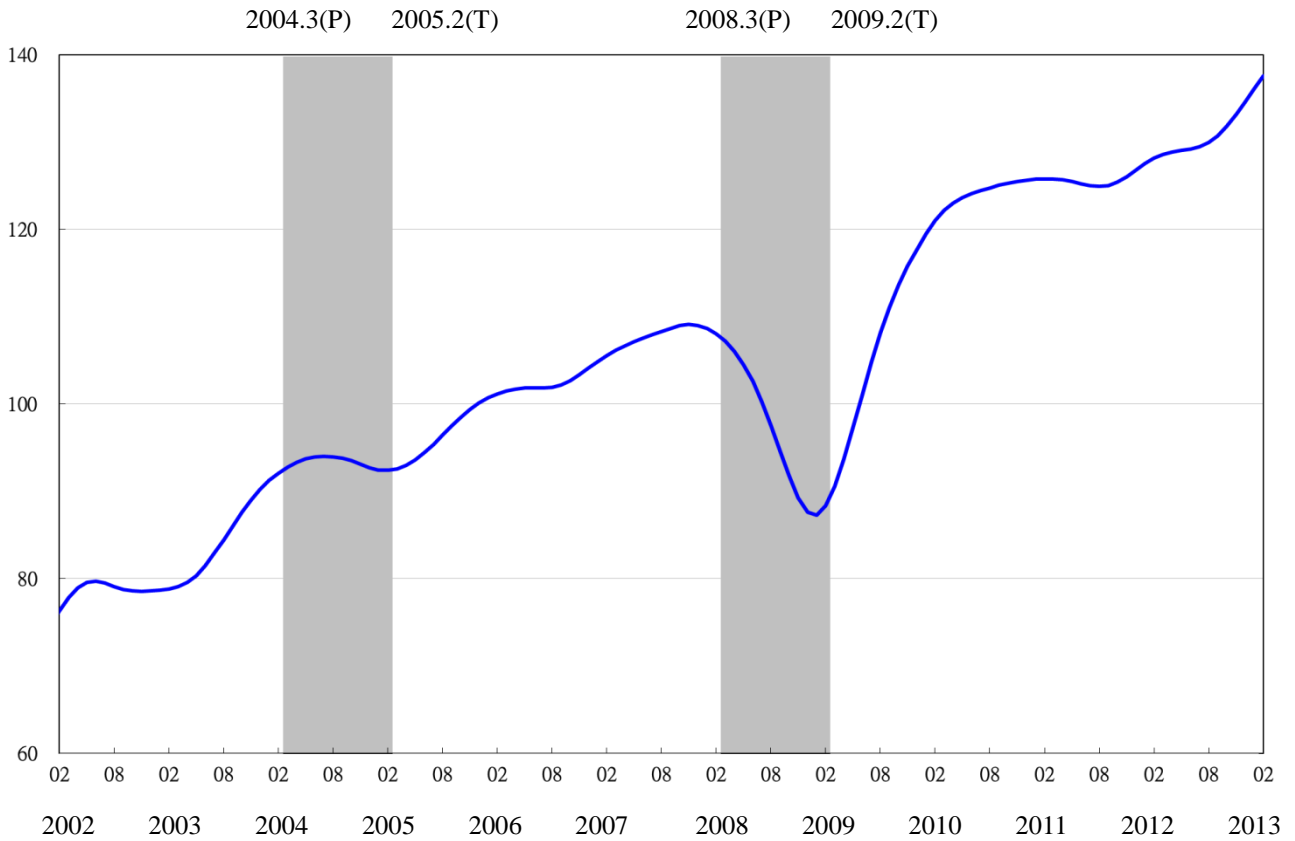
## Lagging Indicators

Seasonally adjusted

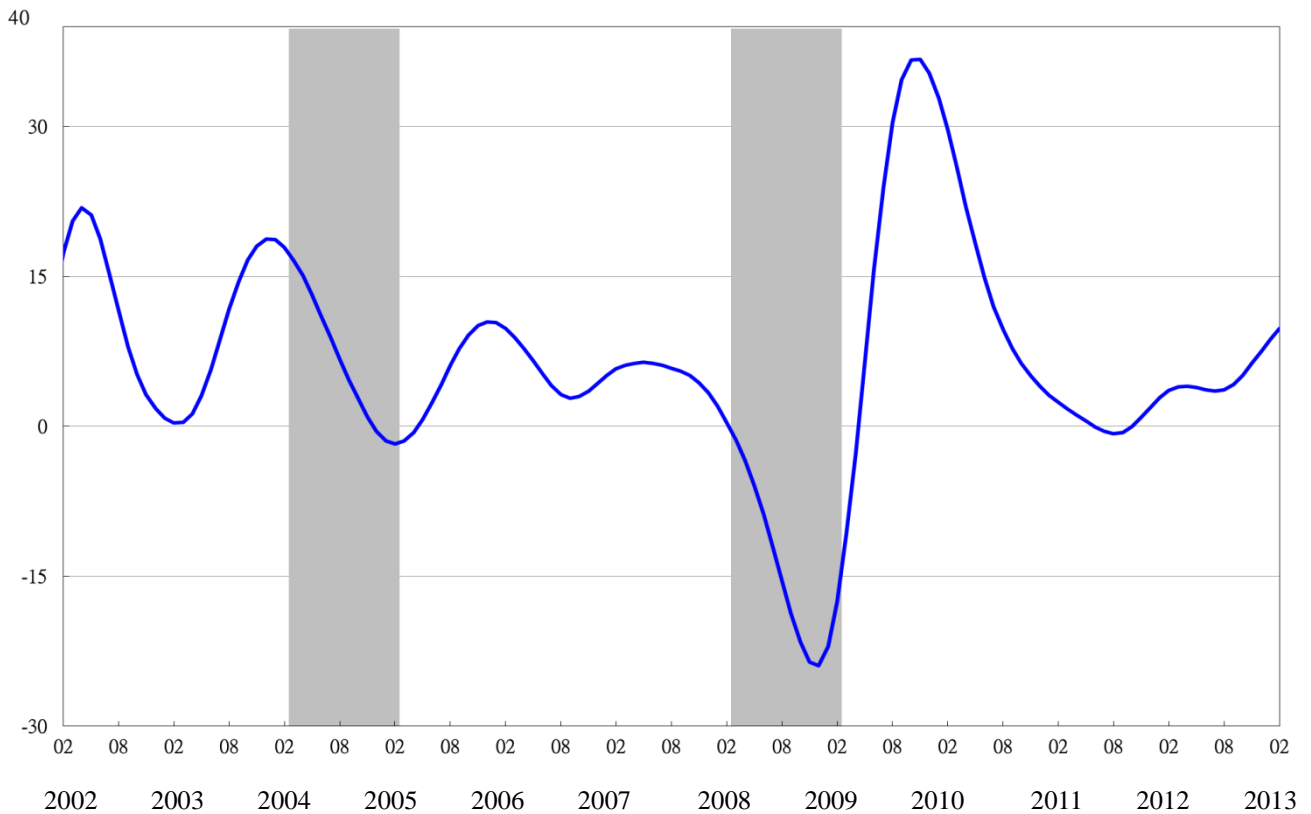
	2012					2013	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Composite Index</b>	134.7	134.8	135.0	135.3	135.8	136.5	137.3
Change from preceding month (%)	0.0	0.1	0.1	0.3	0.4	0.5	0.6
Trend adjusted index	101.1	100.8	100.5	100.4	100.4	100.5	100.7
Change from preceding month (%)	-0.4	-0.3	-0.2	-0.1	0.0	0.1	0.2
<b>Components</b>							
Unemployment rate* (%)	4.27	4.28	4.28	4.24	4.21	4.20	4.16
Regular employees on payrolls in industry & services (Thousand persons)	6,761	6,767	6,774	6,784	6,796	6,805	6,820 <sub>p</sub>
The manufacturing unit output labor cost index (index 2006=100)	81.3	84.8	81.2	81.6	85.2	78.8	86.7 <sub>p</sub>
Interbank overnight call-loan rate (percent per annum)	0.388	0.389	0.388	0.386	0.388	0.387	0.387
Loans and investments of monetary financial institutions (NT\$ billion)	24,991	25,080	25,248	25,339	25,507	25,602	25,715
Inventories to sales ratio for manufacturing (%)	67.8	67.3	67.9	67.6	68.5	68.3	69.7 <sub>p</sub>

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

# Composite Leading Index

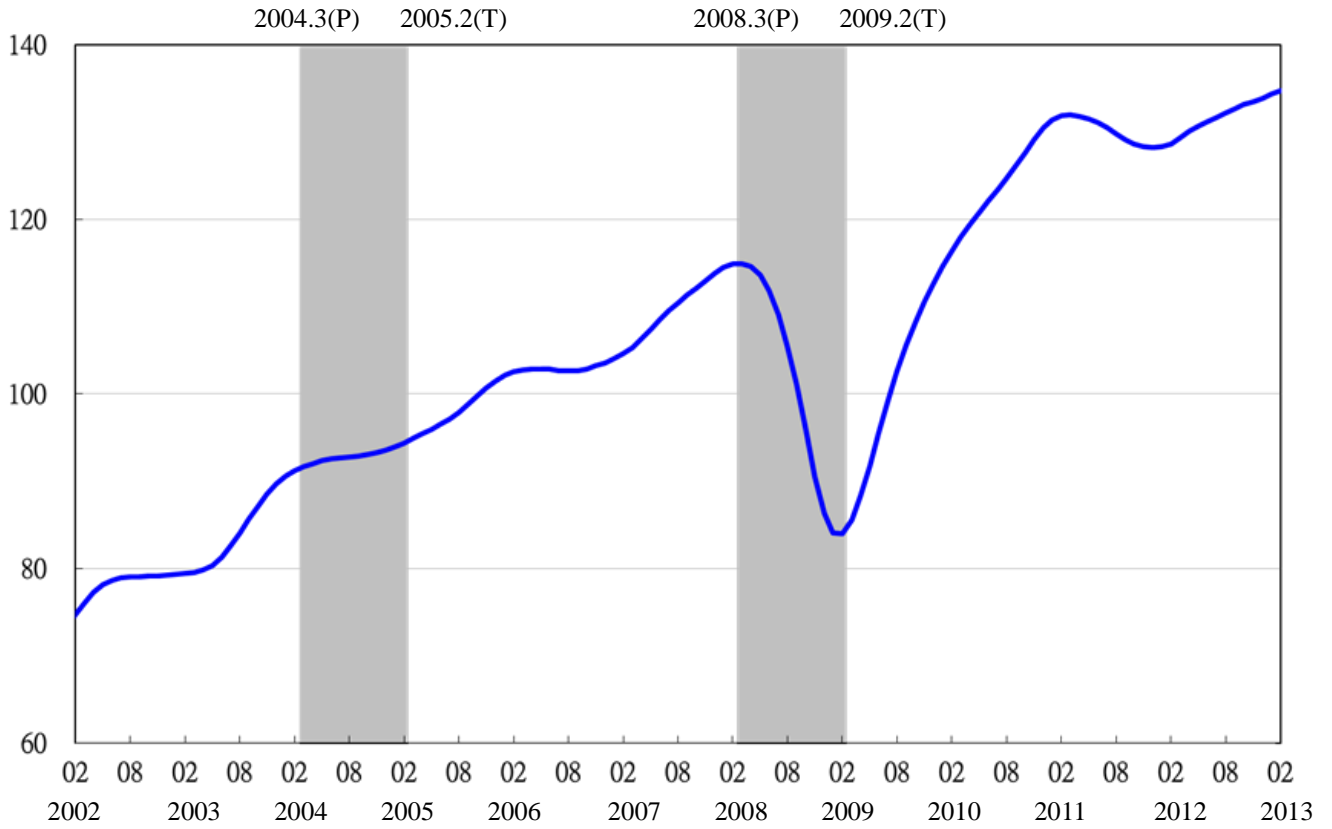


## Annualized 6-month rate of change of composite leading index

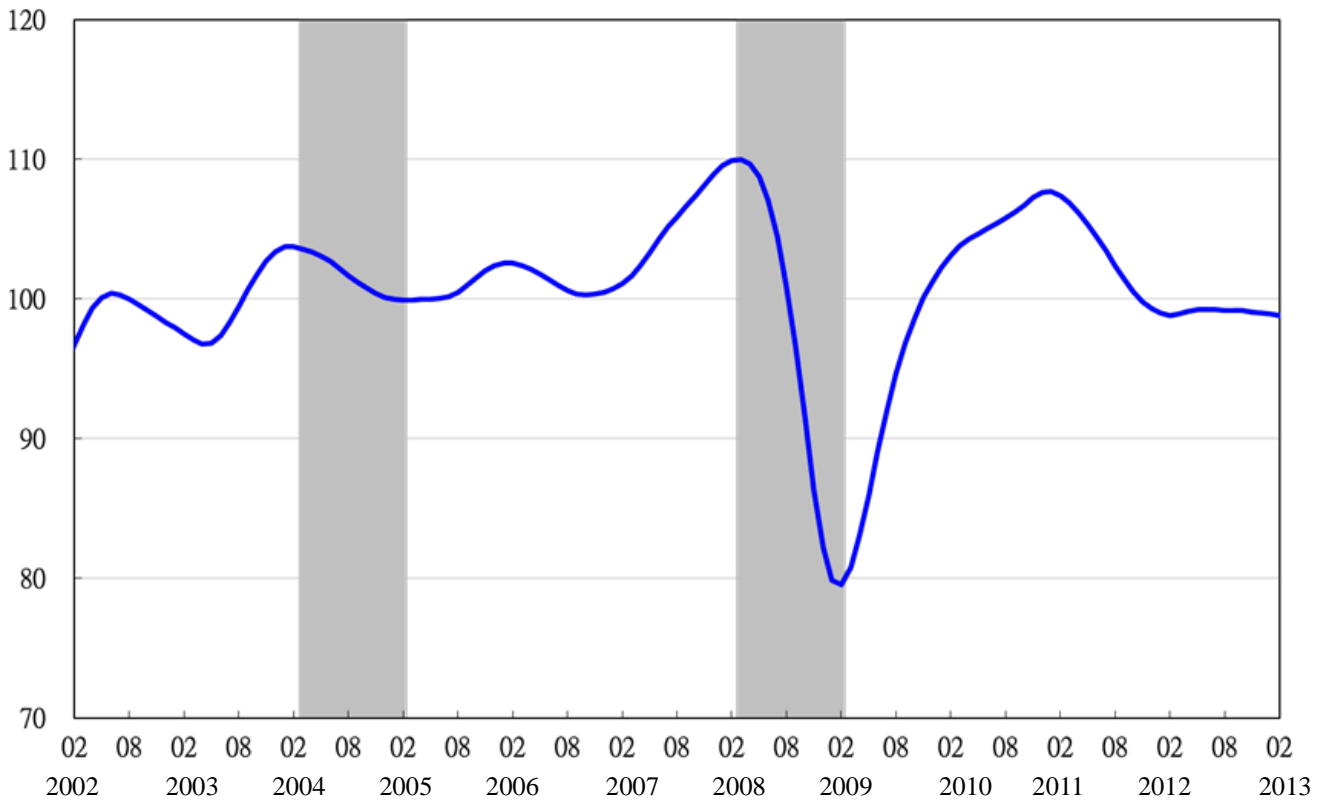


Shaded areas represent recessions.

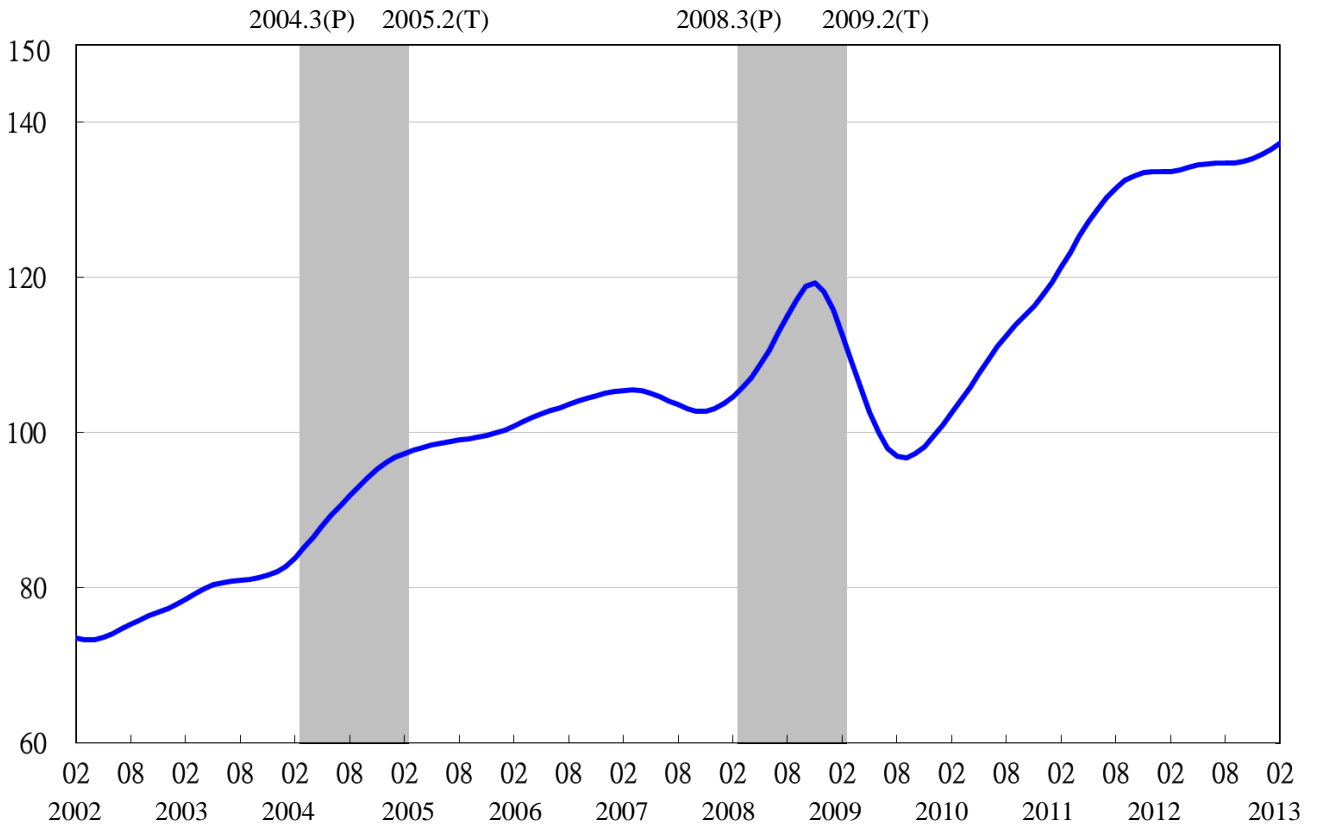
## Composite Coincident Index



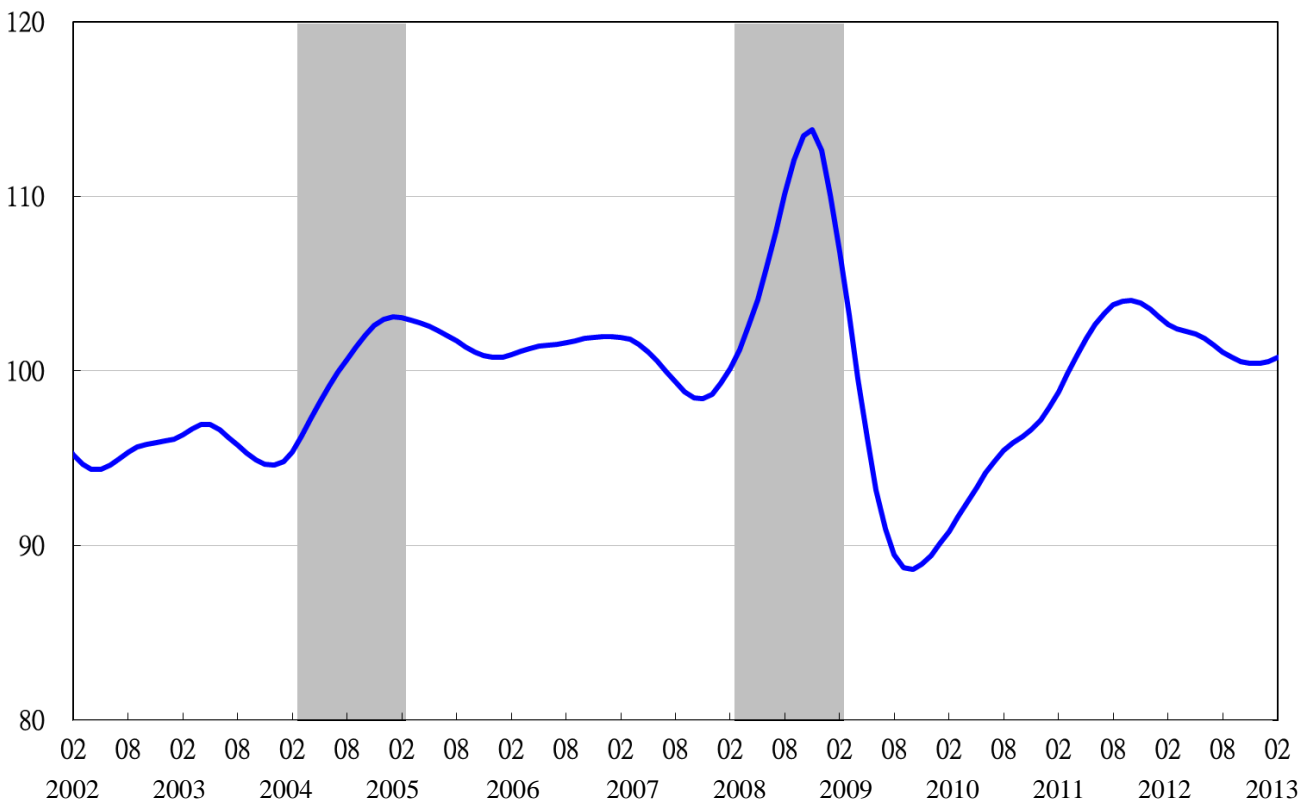
## Trend-adjusted composite coincident index



## Composite Lagging Index



## Trend-adjusted composite lagging index



# Monitoring Indicators

	101(2012)												102(2013)		
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	
Total	Light														
	Score												13	20	
Monetary Aggregates M1B															4.1
Direct and Indirect Finance															4.4
Stock Price Index															1.0
Industrial Production Index															6.0
Nonagricultural Employment															1.3
Customs-Cleared Exports															-2.6
Imports of Machineries and Electrical Equipments															5.4
Manufacturing Sales															2.3 <sub>p</sub>
Sales Index of Trade and Food Services															0.4

● Booming   
 ● Transitional   
 ● Stable   
 ● Transitional   
 ▼ Sluggish

\*C components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.