

Taiwan Business Indicators in January 2015

Press Release

National Development Council (NDC)

March 5, 2015

In January 2015, 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 increased by 0.1%, the trend-adjusted coincident index decreased by 0.22% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. The Monitoring Indicators: Total scores in January 2015 increased by one point to 23, flashing the "green" signal for the first month. Among the nine components, the imports of machineries and electrical equipments and the index of producer's shipment for manufacturing each gained one point to change its individual light from "yellow-blue" to "green", while the sales of trade and food services lost one point to change its individual light from "yellow-blue" to "blue". The light signal for the rest of six components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 100.01, up by 0.1% from December 2014. Among the seven indicators making up the trend-adjusted index, the index of export orders, real monetary aggregates M1B, SEMI book-to-bill ratio, and net accession rate of employees on payrolls of industry and services had positive cyclical movements from the previous month, while the TIER manufacturing sector composite indicator, TAIEX average closing price, and building permits had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 100.88, down by 0.22% from December 2014. Among the seven indicators making up the trend-adjusted index, the index of producer's shipment for manufacturing and nonagricultural employment had positive cyclical movements from the previous month, while electric power consumption, sales of trade and food services, the industrial production index, real machineries

electrical equipments imports, and real customs-cleared exports had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 99.38, up by 0.12% from December 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 27 2015 ~~

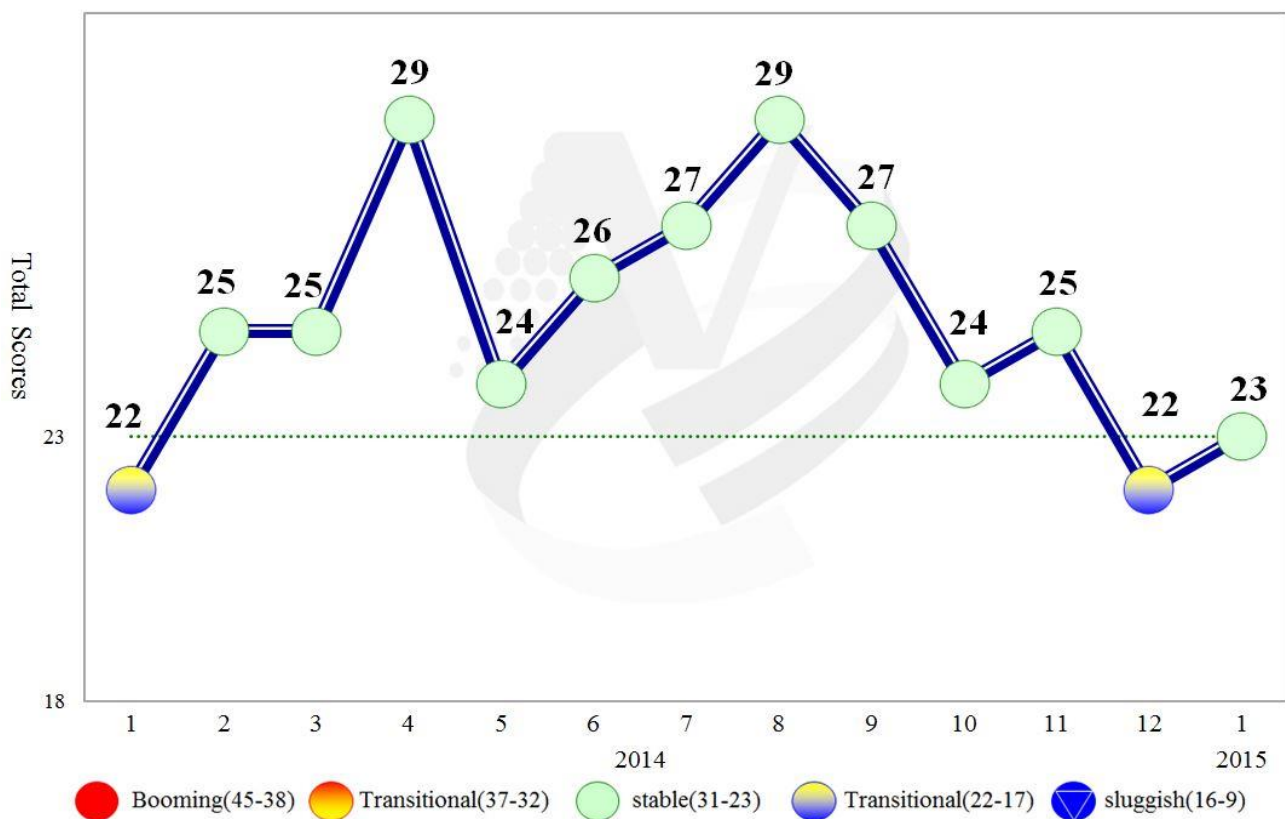


Figure 1 Total Scores in the Past Year

		2014												2015
		1	2	3	4	5	6	7	8	9	10	11	12	1
Total	Light													
	Score	22	25	25	29	24	26	27	29	27	24	25	22	23
Monetary Aggregates M1B													6.9	6.1
TAIEX Average Closing Price													8.0	8.3
Industrial Production Index													6.1 _r	6.1
Nonagricultural Employment													1.1	1.1
Customs-Cleared Exports													3.2 _r	5.0
Imports of Machineries and Electrical Equipments													-3.7 _r	4.0
Index of producer's shipment for manufacturing													1.9 _r	6.8 _p
Sales of Trade and Food Services													1.5	-2.1
The TIER Manufacturing Sector Composite Indicator													97.4 _r	99.4

Notes : 1. Individual Componentets 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

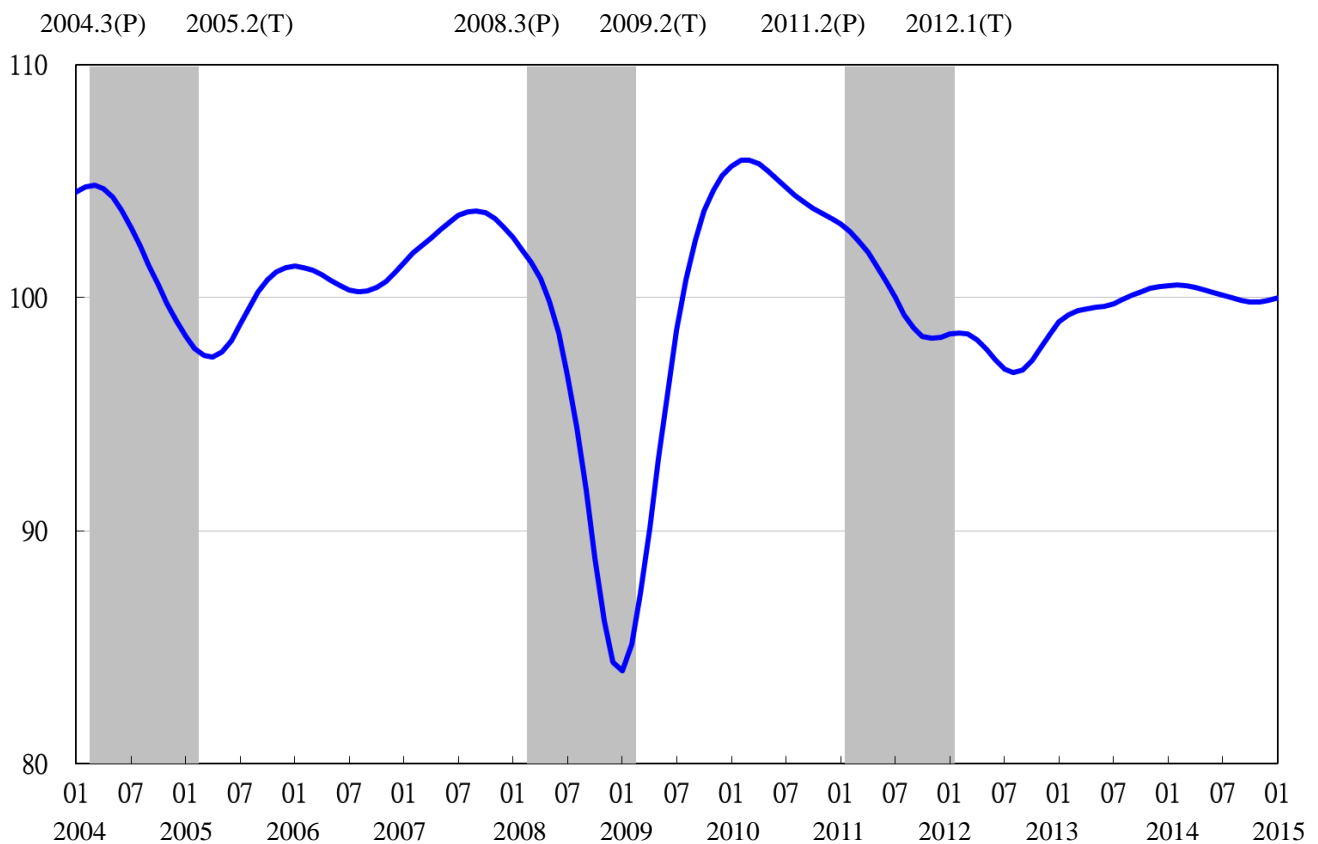
Table 1 Leading Indicators

	Index						
	2014						2015
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	100.13	100.01	99.90	99.830	99.833	99.90	100.01
Change from preceding month (%)	-0.10	-0.12	-0.11	-0.07	0.003	0.07	0.10
Components¹							
Index of export orders	99.79	100.19	100.66	101.09	101.43	101.70	101.91
Real monetary aggregates M1B	99.98	100.00	100.04	100.10	100.18	100.27	100.37
TAIEX average closing price	100.33	100.29	100.23	100.16	100.10	100.06	100.02
Net accession rate of employees on payrolls of industry and services ²	100.08	100.04	99.99	99.97	99.94	99.931	99.933
Building permits ³	99.72	99.58	99.45	99.33	99.26	99.22	99.20
SEMI Book-to-Bill Ratio	100.05	99.92	99.78	99.70	99.67	99.68	99.71
The TIER manufacturing sector composite indicator	100.63	100.37	100.06	99.75	99.51	99.35	99.24

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						2015
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	101.01	101.19	101.30	101.33	101.27	101.10	100.88
Change from preceding month (%)	0.23	0.18	0.11	0.03	-0.06	-0.16	-0.22
Components							
Industrial production index	100.37	100.51	100.62	100.70	100.73	100.71	100.67
Electric power consumption	100.19	100.34	100.37	100.28	100.07	99.75	99.40
Index of producer's shipment for manufacturing	100.33	100.37	100.41	100.44	100.47	100.51	100.56
Sales of trade and food services	100.12	100.08	100.05	100.02	100.00	99.96	99.89
Nonagricultural employment	99.66	99.67	99.69	99.72	99.75	99.77	99.80
Real customs-cleared exports	100.19	100.24	100.23	100.21	100.18	100.14	100.11
Real machineries and electrical equipments imports	100.16	100.22	100.28	100.34	100.39	100.38	100.33

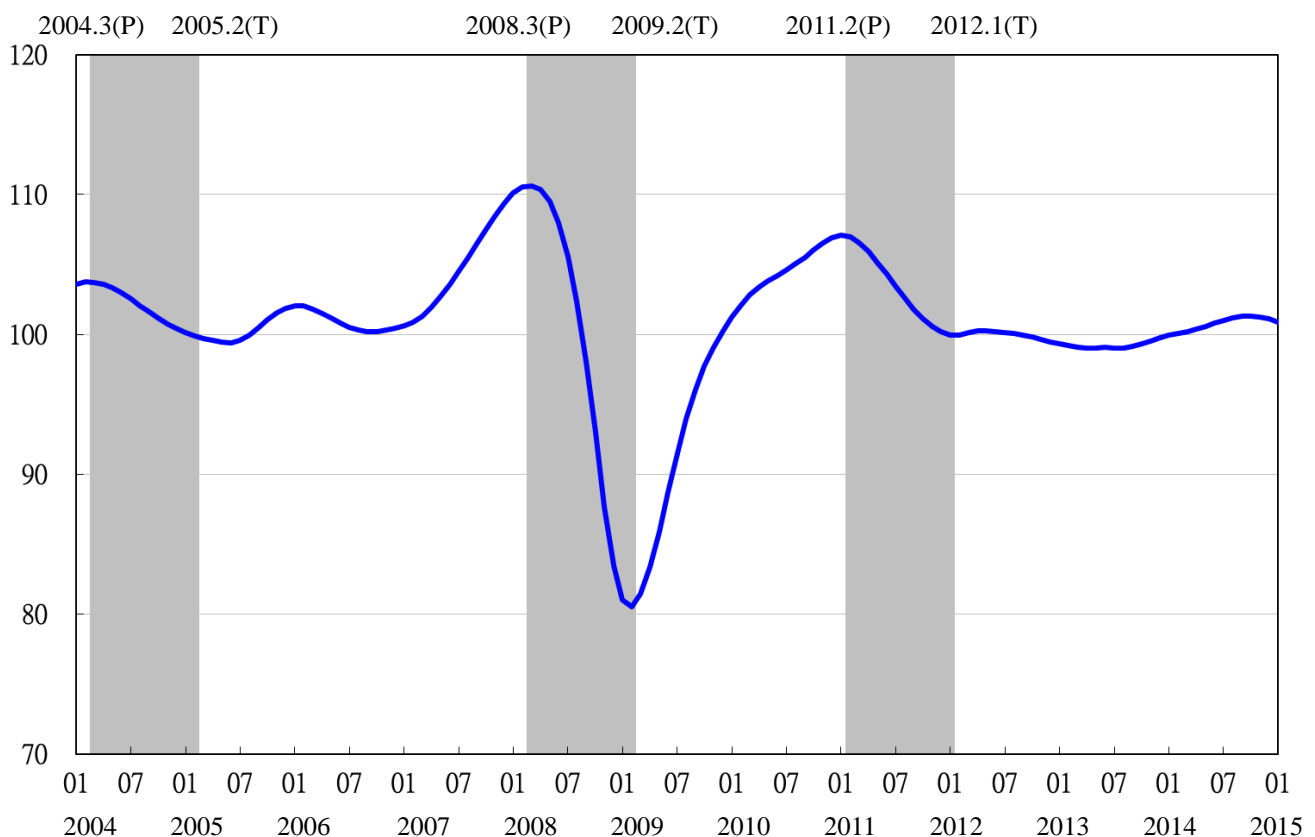
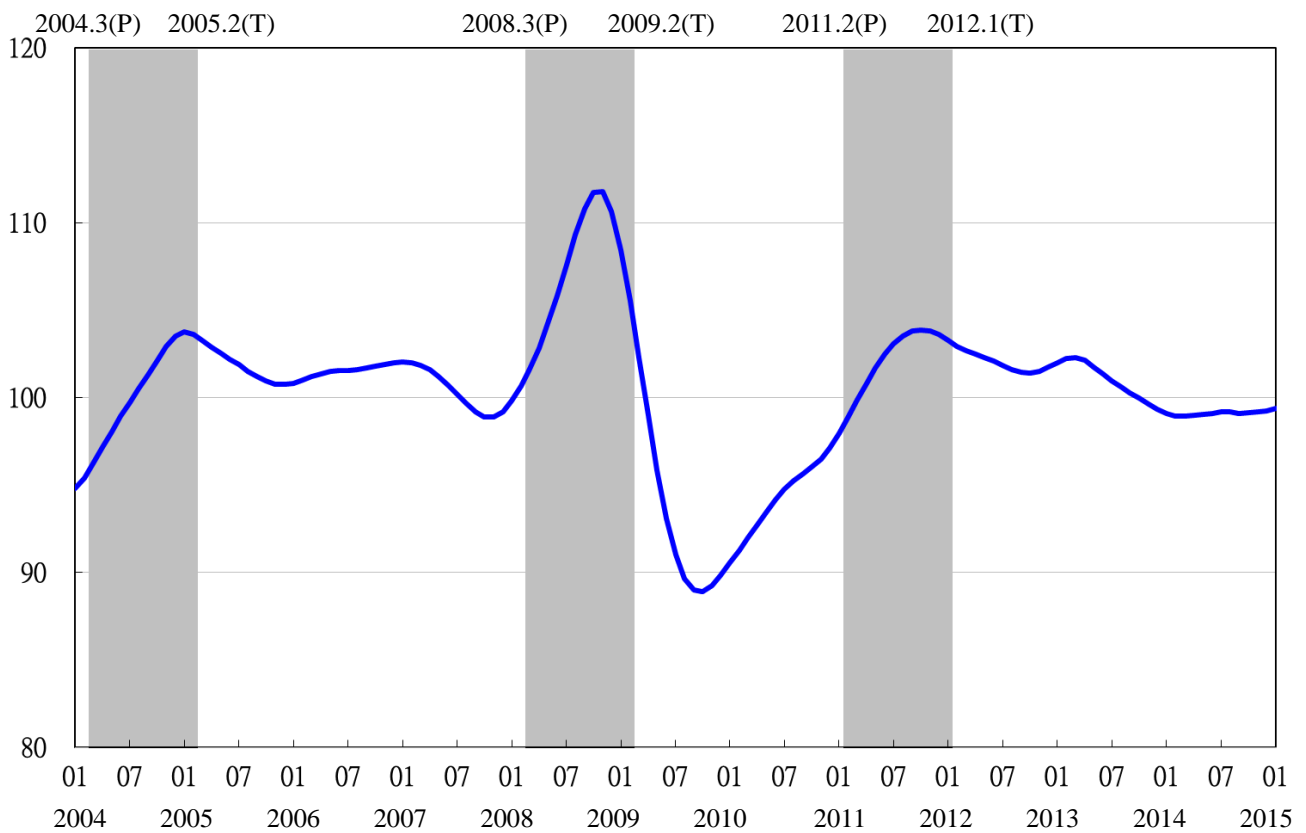


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2014						2015
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	99.18	99.17	99.10	99.12	99.18	99.25	99.38
Change from preceding month (%)	0.09	-0.01	-0.07	0.02	0.07	0.07	0.12
Components							
Unemployment rate	99.85	99.89	99.93	99.98	100.03	100.10	100.17
Regular employees on payrolls in industry & services	99.84	99.87	99.91	99.95	99.98	100.01	100.04
The manufacturing unit output labor cost index	100.22	99.97	99.62	99.35	99.13	98.91	98.77
Interbank overnight call-loan rate	99.97	99.97	99.96	99.96	99.95	99.95	99.94
Loans and investments of monetary financial institutions	99.98	99.96	99.92	99.86	99.79	99.71	99.62
Inventories to sales ratio for manufacturing	99.18	99.37	99.60	99.87	100.16	100.45	100.72

**Figure 5 Trend-adjusted Lagging Index**