

## Taiwan Business Indicators in January 2012

Press Release

Council for Economic Planning and Development

February 29, 2012

In January 2012, although Taiwan Business Indicators still indicated that the economy has many downside risks, the pace of decline in some components moderated. 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 1.6 points, the trend-adjusted coincident index decreased by 0.6% from the previous month, and the overall monitoring indicator flashed the "blue" signal. The results showed Taiwan's economy brightens slightly.

1. **Leading Indicators:** With revised data, the composite leading index stood at 130.4, up by 1.0% from December 2011. Its annualized six-month rate of change increased by 1.6 points to 5.6%. Among the seven indicators making up the trend-adjusted index, index of producer's inventory for manufacturing (inverted), SEMI book-to-bill ratio, and index of export orders had positive cyclical movements from previous month. Real monetary aggregates M1B, stock price index, average monthly overtime in industry and services, and building permits had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 128.8, up by 0.2% from December 2011. Its trend-adjusted index decreased by 0.6% to 95.4. Among the seven indicators making up the trend-adjusted index, electric power consumption had positive cyclical movements from previous month. The sales index of wholesale, retail and food services, index of producer's shipment for manufacturing, real customs-cleared exports, the industrial production index, nonagricultural employment, and real machineries and electrical equipments imports had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 143.8, up by 0.9% from December 2011. Its trend-adjusted index rose by 0.2% to 106.5. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, inventories to sales ratio for manufacturing, and interbank overnight

call-loan rate had positive cyclical movements from previous month. Loans and investments of monetary financial institutions, regular employees on payrolls in industry and services, unemployment rate (inverted) had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in January was down by 1 point to 13, flashing the "blue" signal for the third consecutive month. Among the nine components, monetary aggregates M1B lost one point and changed its individual light signal from "yellow-blue" to "blue". The light signals for the rest of eight components remained unchanged.

~~ The next release is scheduled for March 27 2012 ~~

### Leading Indicators

	Seasonally adjusted						
	2011						2012
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>Composite Index</b>	125.8	125.9	126.2	126.9	127.9	129.1	130.4
Change from preceding month (%)	-0.1	0.01	0.3	0.5	0.8	1.0	1.0
Annualized 6-month rate of change (%)	0.1	-0.1	0.3	1.1	2.4	4.0	5.6
Change from preceding month (point)	-0.5	-0.2	0.3	0.9	1.3	1.6	1.6
<b>Components</b>							
Index of export orders (2006=100)	137.2	131.9	130.6	135.2	137.0	137.4	141.2
Real monetary aggregates M1B (NT\$ billion)	10,821	10,914	10,912	10,872	10,887	10,927	10,871
Stock price index(1966=100)	8,681	7,763	7,385	7,345	7,275	6,969	7,177
Index of producer's Inventory for manufacturing*(2006=100)	125.1	126.1	121.9	125.0	123.9	123.2	123.3 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	8.4	8.4	8.3	8.0	8.0	8.0	8.2 <sub>p</sub>
Building Permits ** (1,000m2)	2,252	2,167	2,482	2,263	2,453	2,649	2,338
SEMI Book-to-Bill Ratio	0.85	0.80	0.71	0.74	0.83	0.85	0.95

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

	2011						2012
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>Composite Index</b>	130.3	129.7	129.1	128.7	128.6	128.6	128.8
Change from preceding month (%)	-0.4	-0.5	-0.5	-0.3	-0.1	0.02	0.2
Trend adjusted index	100.9	99.7	98.5	97.5	96.6	96.0	95.4
Change from preceding month (%)	-1.2	-1.2	-1.2	-1.0	-0.9	-0.7	-0.6
<b>Components</b>							
Industrial production index(2006=100)	128.8	127.1	124.5	127.0	125.8	125.6	130.9
Electric power consumption (billion kWh)	11.33	12.12	11.24	11.51	11.99	11.30	12.54
Index of producer's shipment for manufacturing (2006=100)	128.5	126.4	125.4	125.7	125.4	123.0	124.5 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	110.1	110.3	109.4	107.5	106.1	106.1	102.1
Nonagricultural employment (1,000)	10,187	10,197	10,212	10,220	10,217	10,240	10,264
Real customs-cleared exports (NT\$ billion)	801.4	756.0	741.3	800.4	749.0	753.6	751.4
Real machineries and electrical equipments imports (NT\$ billion)	272.9	249.6	252.2	250.1	245.6	252.7	270.3

## Lagging Indicators

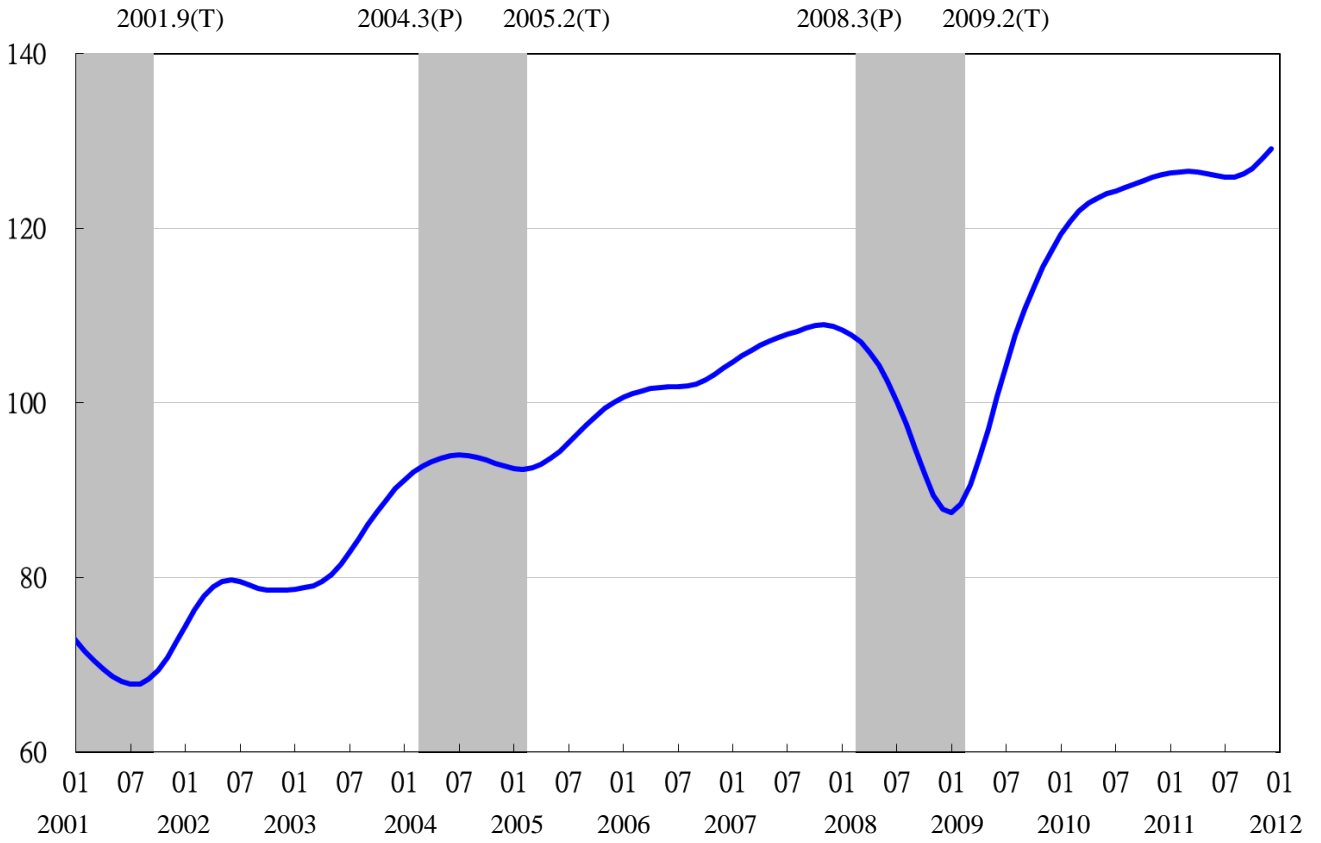
Seasonally adjusted

	2011						2012
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>Composite Index</b>	134.8	136.6	138.2	139.7	141.1	142.5	143.8
Change from preceding month (%)	1.5	1.3	1.2	1.1	1.0	1.0	0.9
Trend adjusted index	104.4	105.0	105.5	105.8	106.1	106.4	106.5
Change from preceding month (%)	0.7	0.6	0.4	0.3	0.3	0.2	0.2
<b>Components</b>							
Unemployment rate* (%)	4.36	4.34	4.29	4.29	4.29	4.21	4.19
Regular employees on payrolls in industry & services (Thousand persons)	6,687	6,697	6,706	6,716	6,726	6,739	6,753 <sub>p</sub>
The manufacturing unit output labor cost index (index 2006=100)	80.8	82.8	83.0	80.7	83.0	86.6	81.4 <sub>p</sub>
Interbank overnight call-loan rate (percent per annum)	0.375	0.388	0.394	0.395	0.396	0.400	0.403
Loans and investments of monetary financial institutions** (NT\$ billion)	23,675	23,866	23,961	24,059	24,127	24,132	24,236
Inventories to sales ratio for manufacturing (%)	65.7	66.9	66.0	67.3	67.2	68.4	68.0 <sub>p</sub>

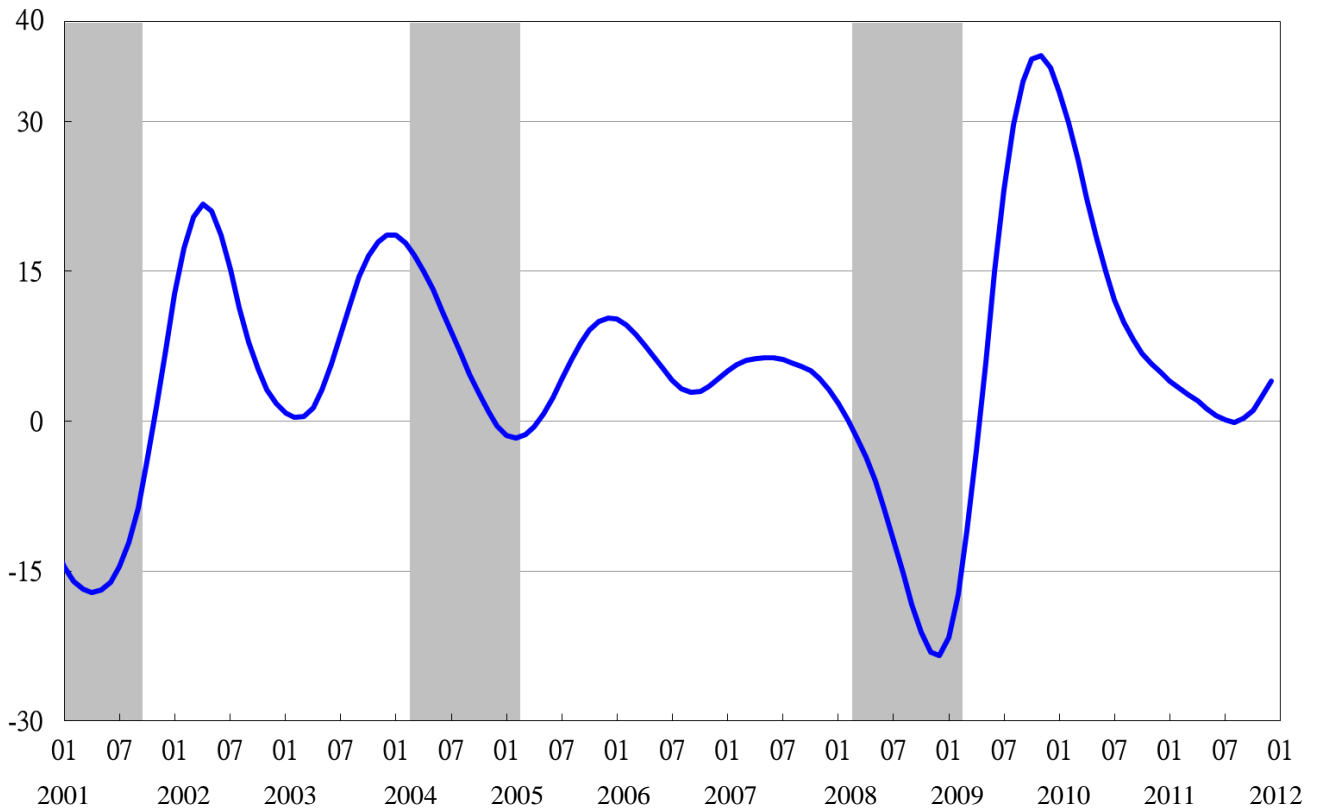
Note : \* This series is inverted while aggregating composite lagging index.

\*\*Refer to modifications on the Categorization of Financial Institutions by Central Bank of the Republic of China (Taiwan), this modification applies to all relevant data.

## Composite Leading Index

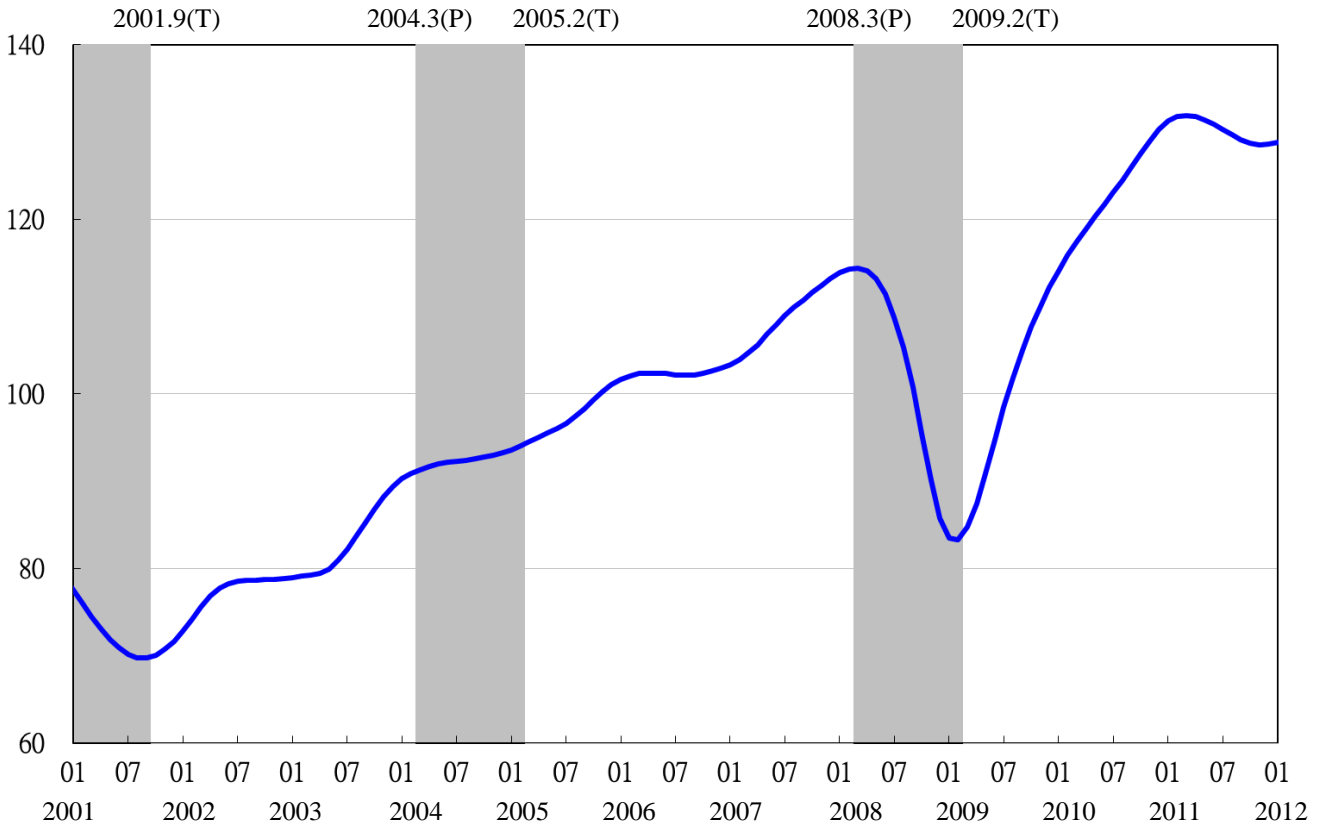


## Annualized 6-month rate of change of composite leading index

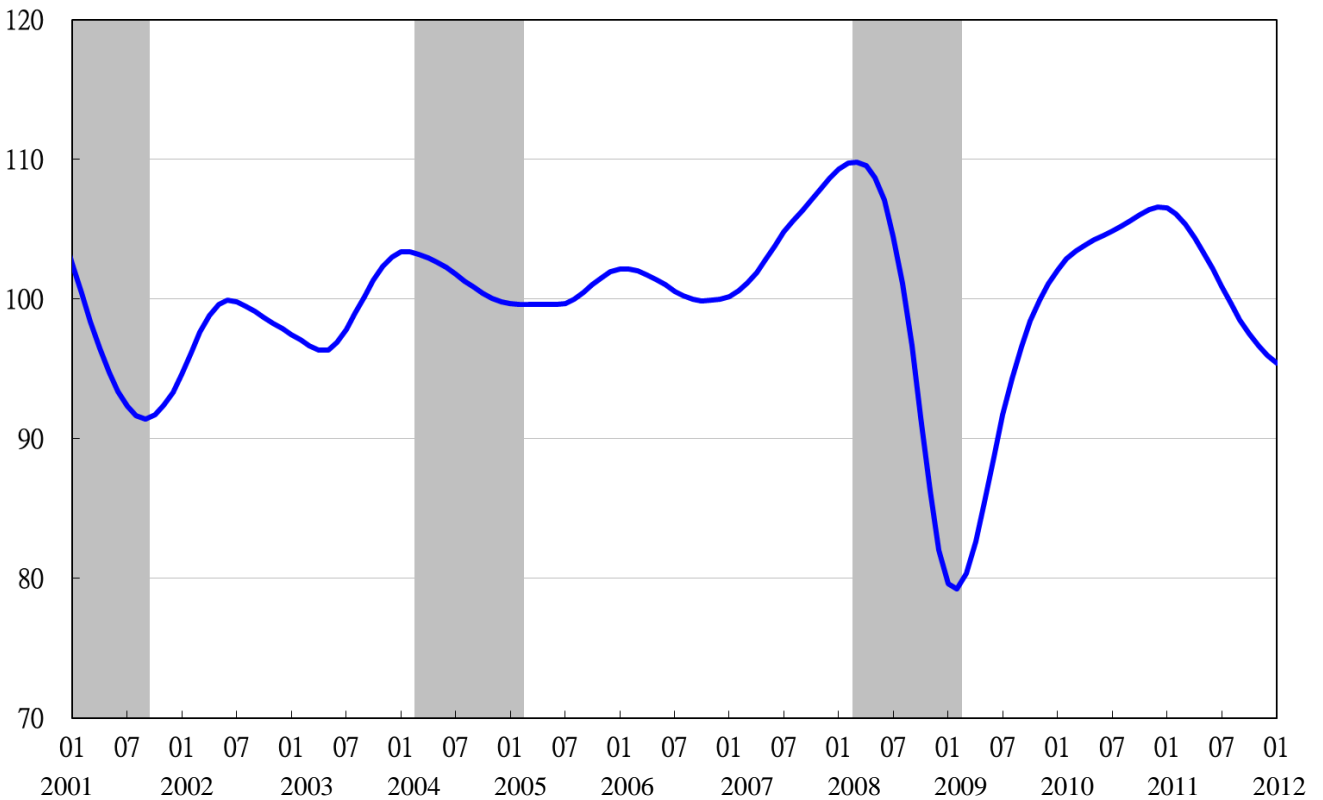


Shaded areas represent recessions.

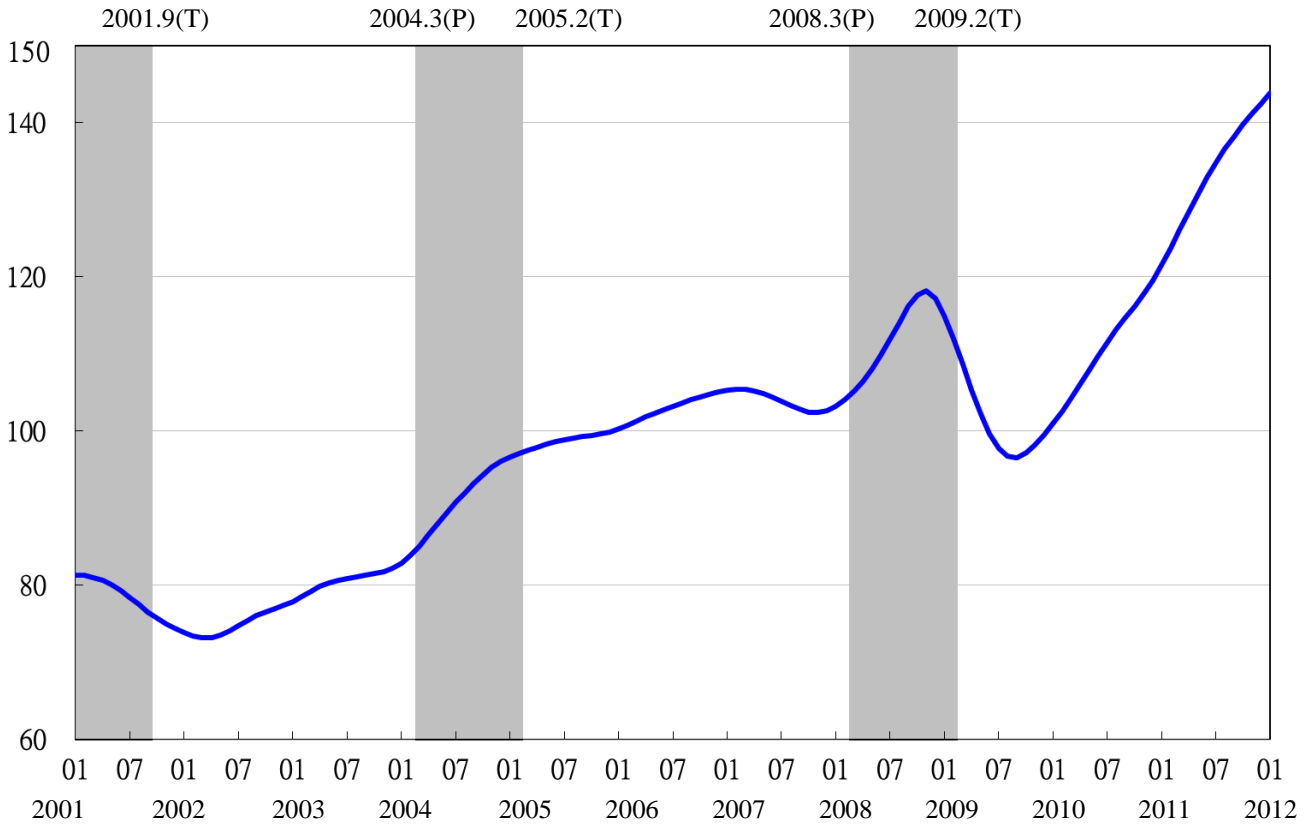
## Composite Coincident Index



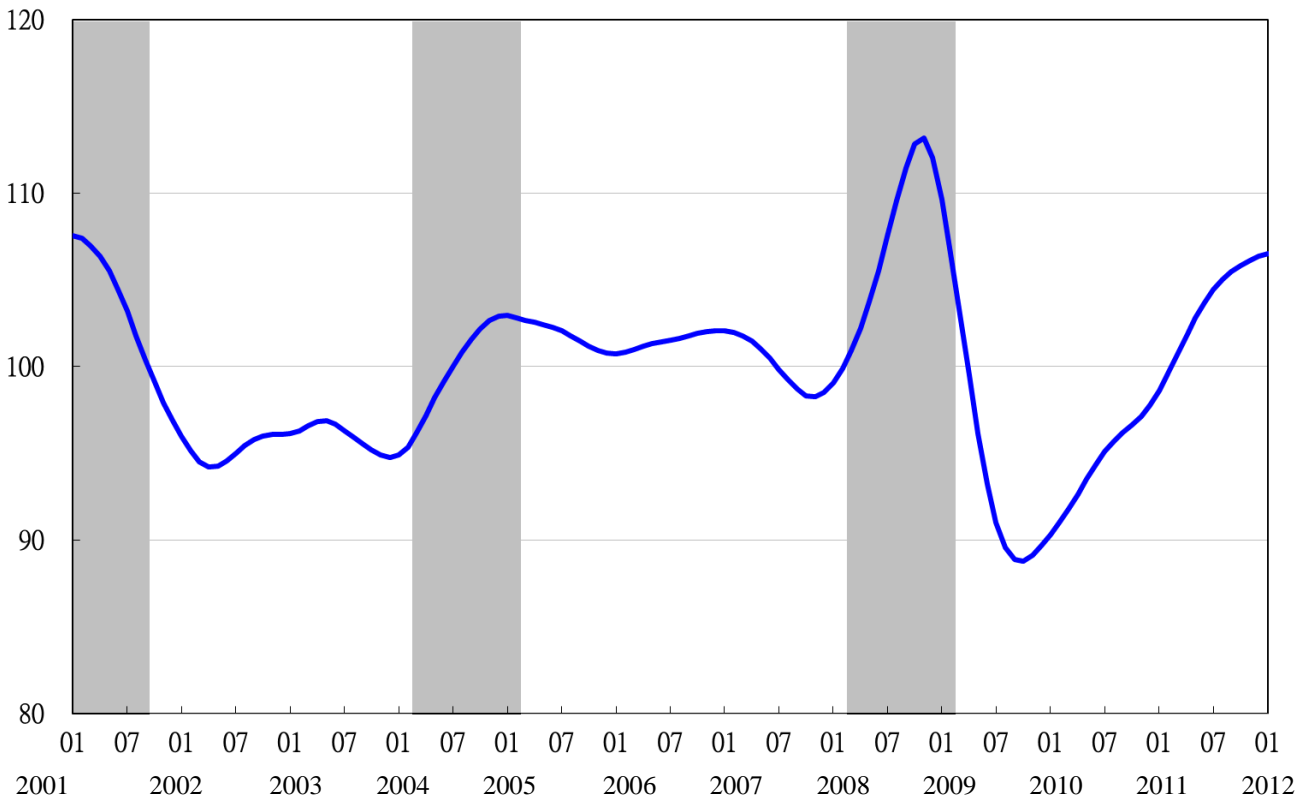
## Trend-adjusted composite coincident index



## Composite Lagging Index



## Trend-adjusted composite lagging index



# Monitoring Indicators

		2010	2011												2012	
		12	1	2	3	4	5	6	7	8	9	10	11	12	1	
Total	Light															
	Score	34	34	34	31	29	27	25	23	20	21	19	16	14	13	
Monetary Aggregates M1B																2.3
Direct and Indirect Finance																4.4
Stock Price Index																-20.0
Industrial Production Index																-4.8
Nonagricultural Employment																2.0
Customs-Cleared Exports																0.7
Imports of Machineries and Electrical Equipments																-4.5
Manufacturing Sales																-7.1 <sub>p</sub>
Sales Index of Wholesale, Retail and Food Services																-8.8

Booming  
 Transitional  
 Stable  
 Stable  
 Stagnant

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