

Taiwan Business Indicators in June 2011

Press Release

Council for Economic Planning and Development

July 27, 2011

In June 2011, Taiwan Business Indicators indicated that the economy continued its steady growth. 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 decreased by 0.1 points, the trend-adjusted coincident index decreased by 1.0% 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 128.8, up by 0.2% from May. Its annualized six-month rate of change decreased by 0.1 points to 3.2%. Among the seven indicators making up the trend-adjusted index, index of export orders, index of producer's inventory for manufacturing (inverted), real monetary aggregates M1B, average monthly overtime in industry and services, building permits, and stock price index had negative cyclical movements from previous month. SEMI book-to-bill ratio had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 134.97, up by 0.01% from May. Its trend-adjusted index decreased by 1.0% to 100.6. Among the seven indicators making up the trend-adjusted index, the industrial production index, index of producer's shipment for manufacturing, real customs-cleared exports, the sales index of wholesale, retail and food services, real machineries and electrical equipments imports, and electric power consumption had negative cyclical movements from previous month. Nonagricultural employment had positive cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 148.2, up by 2.8% from May. Its trend-adjusted index rose by 1.7% to 110.5. All six indicators making up the trend-adjusted index had positive cyclical movements from previous month, which were the manufacturing unit output labor cost index, inventories to sales ratio

for manufacturing, unemployment rate (inverted), regular employees on payrolls in industry and services, interbank overnight call-loan rate and loans, and investments of major financial institutions.

4. The Monitoring Indicators: The total score in June was down by 1 point to 26. The overall light signal flashed the "green" signal for the fourth consecutive month. Among the nine components, industrial production index and imports of machineries, electrical equipments each lost one point and changed their individual light signals, manufacturing sales gained one point and changed its individual light signal from "yellow-blue " to "green". The light signals for the rest of six components remained unchanged.

~~ The next release is scheduled for August 26 2011 ~~

Leading Indicators

Seasonally adjusted

	2010	2011					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	126.9	127.3	127.6	127.9	128.3	128.5	128.8
Change from preceding month (%)	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Annualized 6-month rate of change (%)	4.9	4.3	3.9	3.6	3.4	3.3	3.2
Change from preceding month (point)	-0.7	-0.6	-0.5	-0.3	-0.2	-0.1	-0.1
Components							
Index of export orders (2006=100)	140.4	140.7	136.2	139.8	136.6	138.8	135.2
Real monetary aggregates M1B (NT\$ billion)	10,668	10,718	10,688	10,700	10,642	10,655	10,739
Stock price index(1966=100)	8,777	8,971	8,743	8,575	8,861	8,911	8,749
Index of producer's Inventory for manufacturing*(2006=100)	114.6	117.7	119.1	121.3	121.6	123.0	123.6 _p
Average monthly overtime in industry and services (hours/month)	8.7	8.8	9.2	8.9	9.0	8.7	8.8 _p
Building Permits ** (1,000m2)	2,579	2,596	2,202	2,345	2,578	2,228	2,528
SEMI Book-to-Bill Ratio	0.90	0.85	0.87	0.95	0.98	0.97	0.94

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

	2010	2011					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	131.7	133.1	134.0	134.6	134.8	134.96	134.97
Change from preceding month (%)	1.3	1.0	0.7	0.4	0.2	0.1	0.01
Trend adjusted index	104.7	104.6	104.3	103.6	102.7	101.7	100.6
Change from preceding month (%)	0.2	-0.0	-0.4	-0.7	-0.9	-1.0	-1.0
Components							
Industrial production index(2006=100)	137.0	139.2	138.1	136.8	132.0	130.8	126.6
Electric power consumption (billion kWh)	11.75	11.62	11.41	11.66	11.31	11.88	11.59
Index of producer's shipment for manufacturing (2006=100)	130.4	131.2	136.1	133.4	127.9	128.5	129.4 _p
Sales index of wholesale, retail, and food services (2006=100)	111.0	111.7	108.0	109.9	109.2	110.1	110.5
Nonagricultural employment (1,000)	10,044	10,071	10,103	10,118	10,134	10,145	10,164
Real customs-cleared exports (NT\$ billion)	769.6	776.9	822.7	787.7	819.8	803.0	768.3
Real machineries and electrical equipments imports (NT\$ billion)	289.9	299.3	297.4	294.1	277.5	319.1	296.0

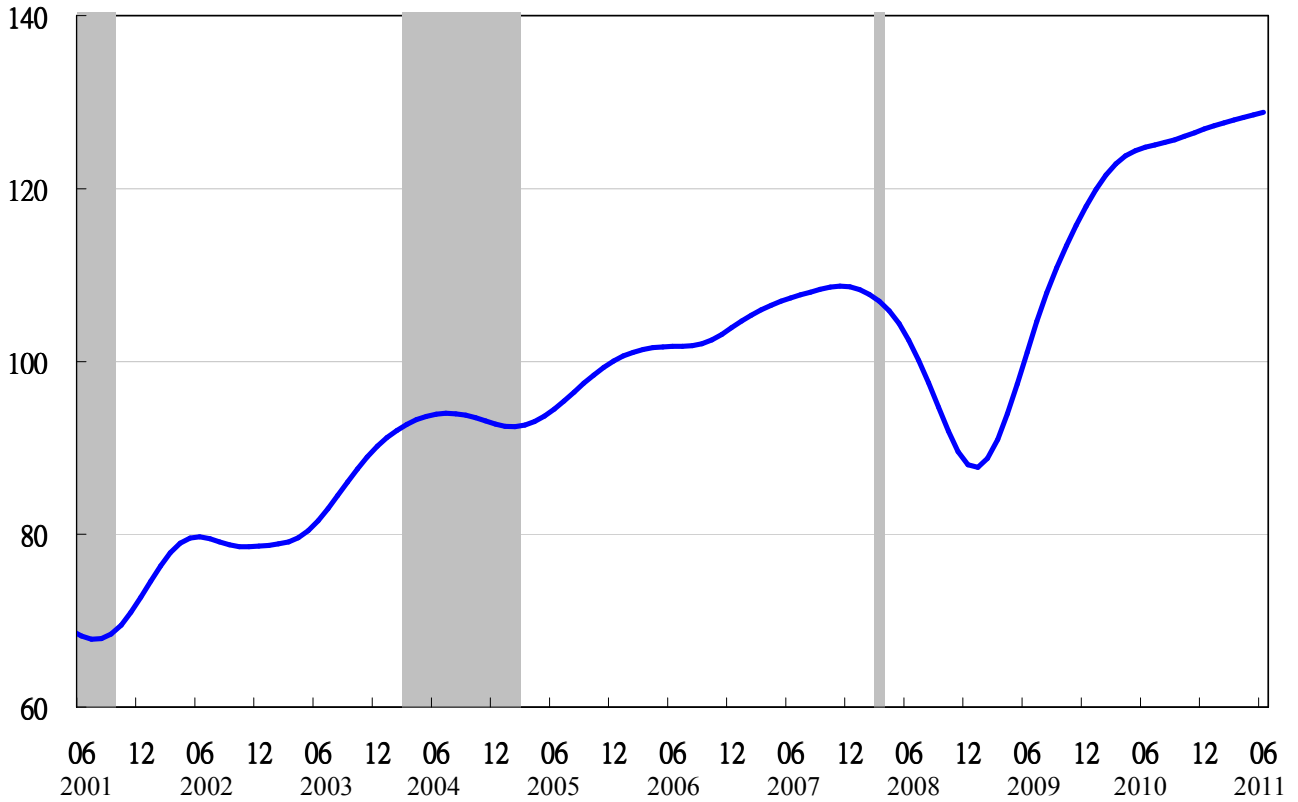
Lagging Indicators

Seasonally adjusted

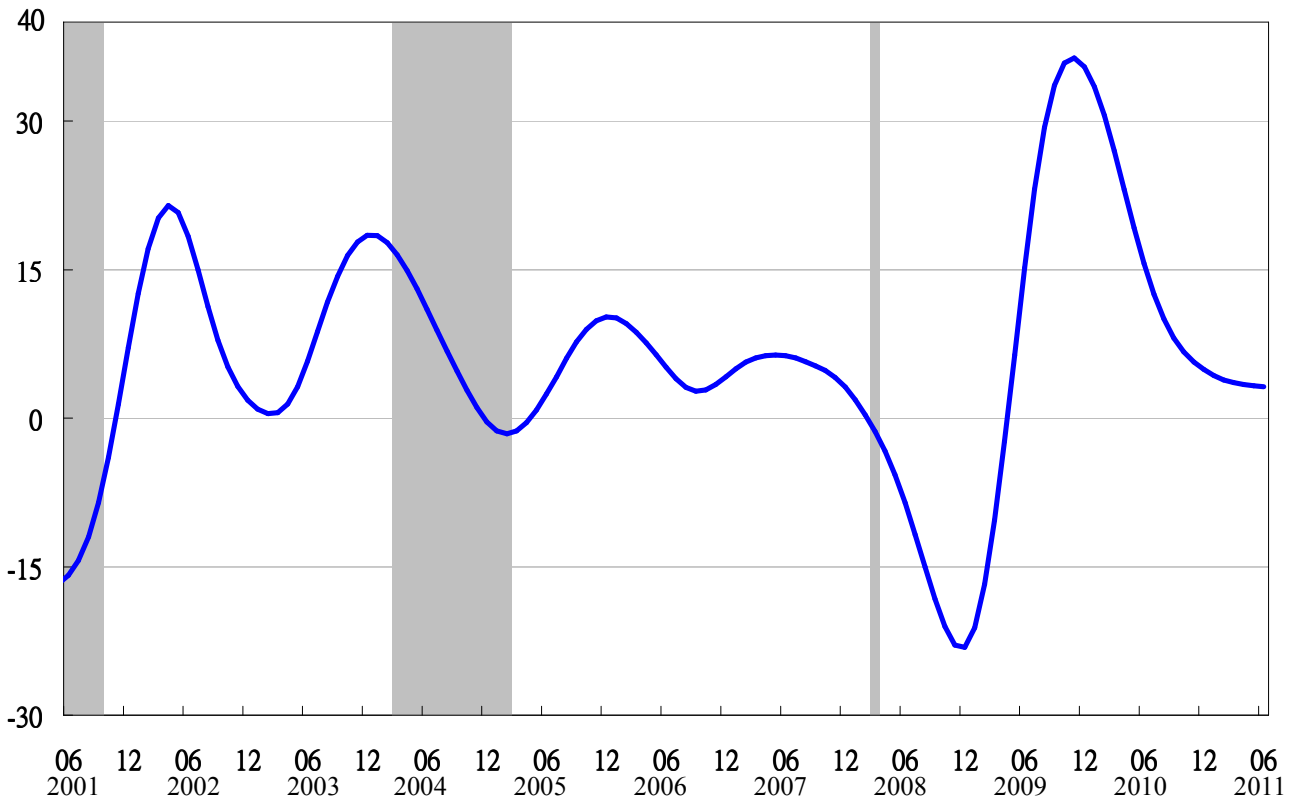
	2010	2011					
	Dec	Jan	Feb	Mar	Apr	May	June
Composite Index	126.8	129.7	132.9	136.4	140.2	144.2	148.2
Change from preceding month (%)	2.0	2.2	2.5	2.7	2.8	2.8	2.8
Trend adjusted index	100.8	102.0	103.4	105.0	106.8	108.6	110.5
Change from preceding month (%)	0.9	1.2	1.4	1.6	1.7	1.7	1.7
Components							
Unemployment rate** (%)	4.72	4.71	4.59	4.42	4.35	4.41	4.40
Regular employees on payrolls in industry & services (Thousand persons)	6,572	6,590	6,611	6,636	6,651	6,672	6,684 _p
The manufacturing unit output labor cost index (index 2006=100)	76.3	77.0	78.6	75.5	78.0	79.7	81.4 _p
Interbank overnight call-loan rate (percent per annum)	0.239	0.257	0.262	0.274	0.296	0.319	0.344
Loans and investments of major financial institutions (NT\$ billion)	22,751	23,064	23,171	23,282	23,360	23,482	23,549
Inventories to sales ratio for manufacturing (%)	58.5	58.7	61.3	63.1	66.7	67.5	68.7 _p

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

Composite Leading Index

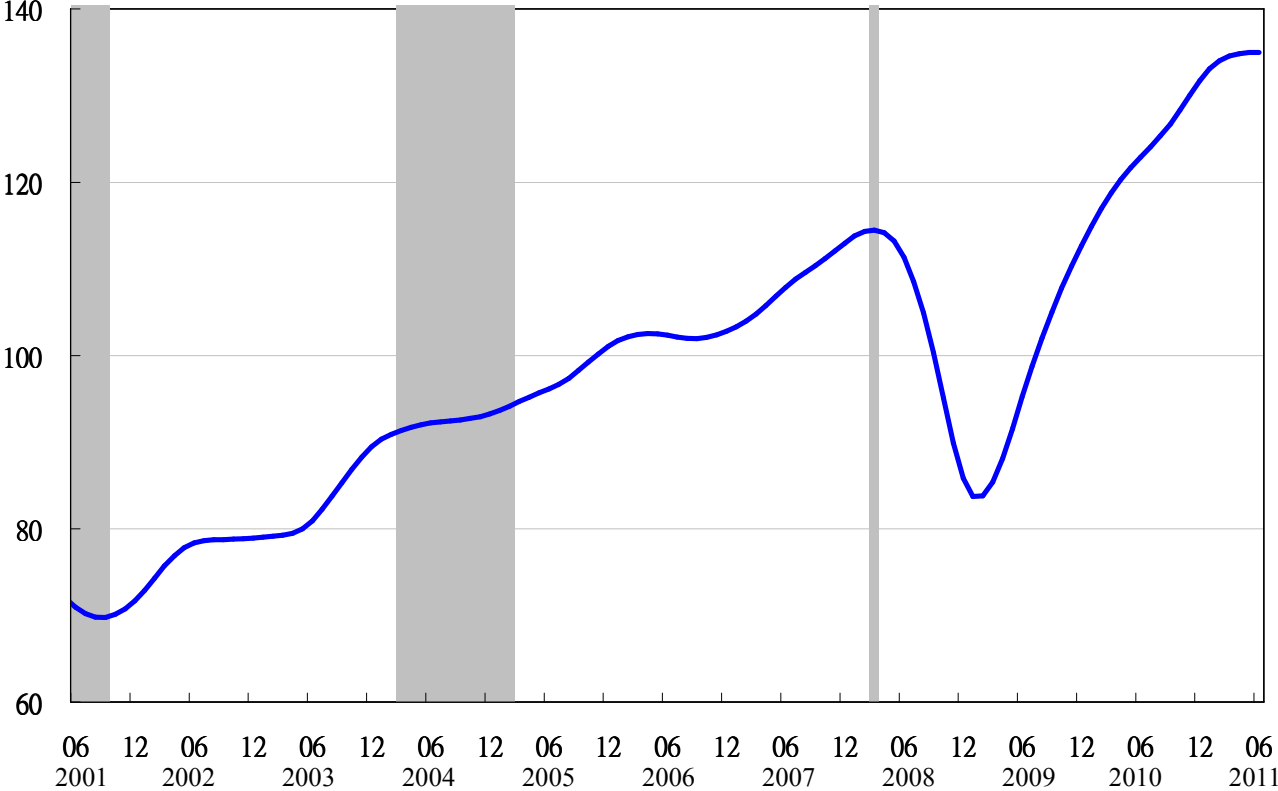


Annualized 6-month rate of change of composite leading index

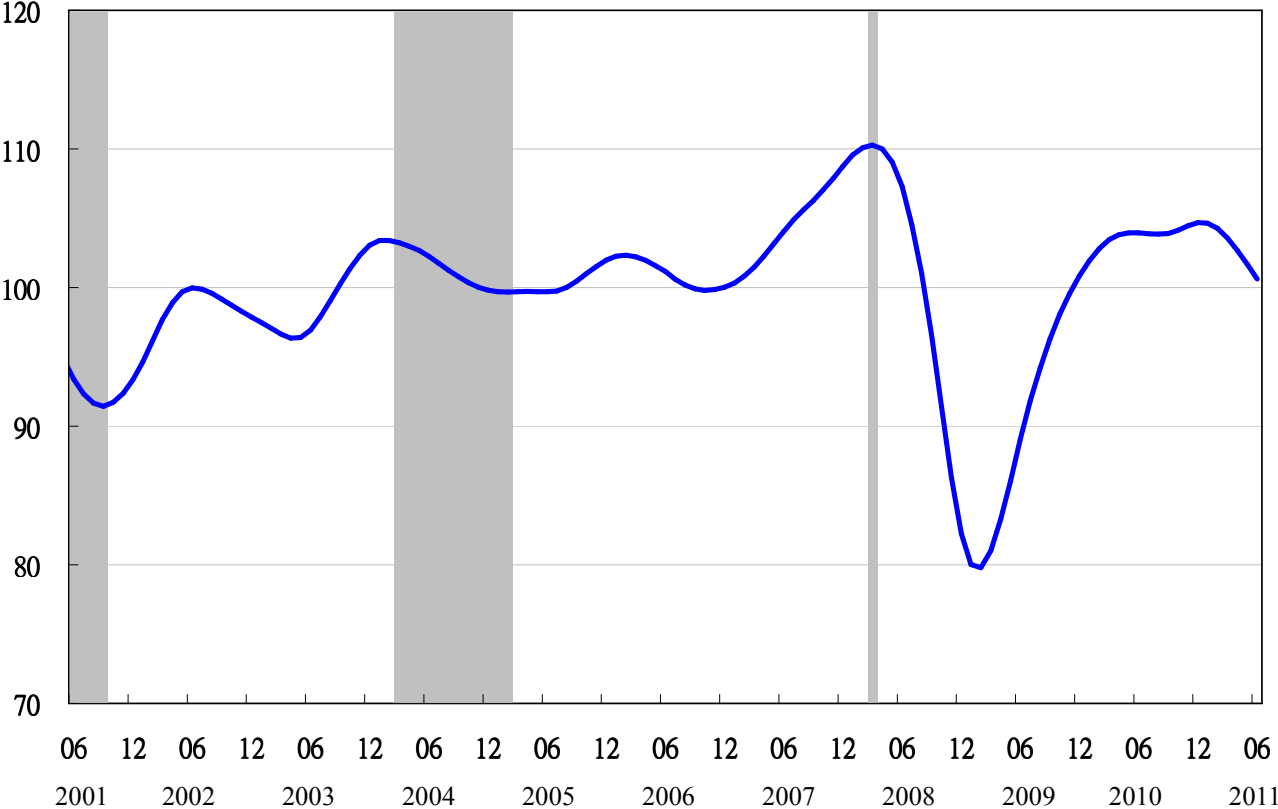


Shaded areas represent recessions.

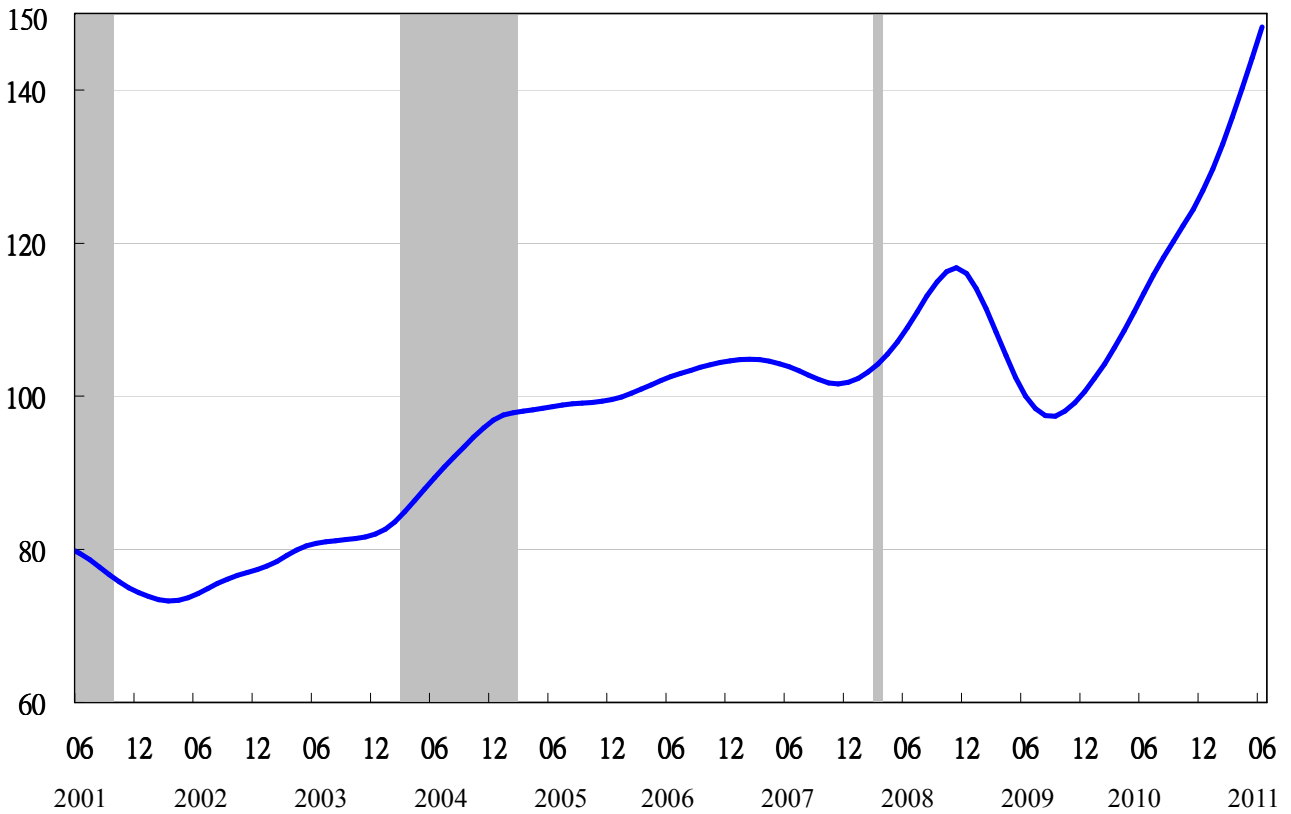
Composite Coincident Index



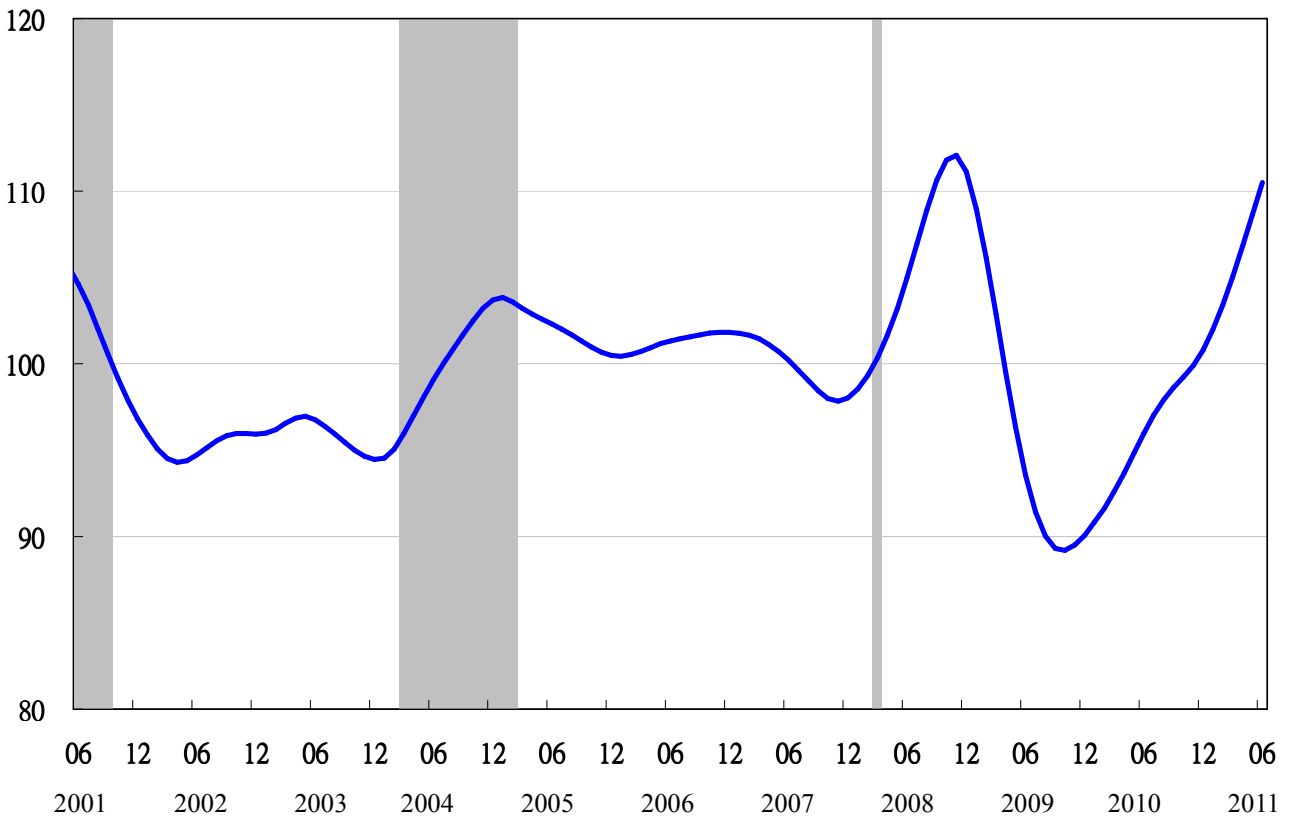
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

	2010												2011					
	5	6	7	8	9	10	11	12	1	2	3	4	5	6				
Total	Light																	
	Score																	
	37	37	38	38	37	34	32	34	34	34	31	29	27 _r	26				
Monetary Aggregates M1B														8.0				
Direct and Indirect Finance														5.08				
Stock Price Index														18.5				
Industrial Production Index														4.2				
Nonagricultural Employment														2.23				
Customs-Cleared Exports														-0.4				
Imports of Machinery and Electrical Equipment														3.5				
Manufacturing Sales														6.1 _p				
Sales Index of Wholesale, Retail and Food Services														2.1				

● 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.