

Taiwan Business Indicators in June 2012

Press Release

Council for Economic Planning and Development

July 27, 2012

In June 2012, although Taiwan Business Indicators showed some scattered signs of improvement, the economic situation still faced many 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 0.1 points, the trend-adjusted coincident index decreased by 0.05% from the previous month, and the overall monitoring indicator flashed the "blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 131.3, up by 0.4% from May 2012. Its annualized six-month rate of change increased by 0.1 points to 5.9%. Among the seven indicators making up the trend-adjusted index, building permits, average monthly overtime in industry and services had positive cyclical movements from previous month. Real monetary aggregates M1B, stock price index, index of export orders, index of producer's inventory for manufacturing (inverted), SEMI book-to-bill ratio had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 131.0, up by 0.5% from May 2012. Its trend-adjusted index slightly decreased by 0.05% to 97.147. Among the seven indicators making up the trend-adjusted index, the sales index of wholesale, retail and food services, index of producer's shipment for manufacturing, real machineries and electrical equipments imports had positive cyclical movements from previous month. Electric power consumption, industrial production index, nonagricultural employment, and real customs-cleared exports had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 138.9, up by 0.5% from May 2012. Its trend-adjusted index decreased by 0.1% to 103.0. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index and interbank overnight call-loan rate had positive cyclical movements from previous month. The unemployment rate (inverted), regular

employees on payrolls in industry and services, loans and investments of monetary financial institutions, inventories to sales ratio for manufacturing had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score recorded 15 in June, the same level of previous month. The overall light signal flashed the "blue" signal for the eighth consecutive month. Among the nine components, industrial production index gained one point and changed its individual light signal from "blue" to "yellow-blue". The sales index of wholesale, retail and food services lost one point and changed its individual light signal from "yellow-blue" to "blue". The light signals for the rest of seven components remained unchanged.

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

Leading Indicators

Seasonally adjusted

	2011	2012					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	127.1	128.0	128.9	129.6	130.2	130.7	131.3
Change from preceding month (%)	0.7	0.7	0.7	0.6	0.5	0.4	0.4
Annualized 6-month rate of change (%)	2.3	3.5	4.5	5.2	5.6	5.8	5.9
Change from preceding month (point)	1.2	1.2	1.0	0.7	0.4	0.3	0.1
Components							
Index of export orders (2006=100)	137.4	139.7	136.8	137.6	136.3	136.8	138.7
Real monetary aggregates M1B (NT\$ billion)	10,892	10,846	11,002	11,019	10,970	10,954	11,002
Stock price index(1966=100)	6,969	7,177	7,856	8,020	7,621	7,357	7,143
Index of producer's Inventory for manufacturing*(2006=100)	123.7	126.6	126.1	128.2	131.0	130.3	130.2 _p
Average monthly overtime in industry and services (hours/month)	8.0	8.1	8.1	8.0	8.1	8.2	8.1 _p
Building Permits ** (1,000m ²)	2,602	2,292	2,315	2,502	2,222	2,533	2,613
SEMI Book-to-Bill Ratio	0.85	0.96	1.01	1.12	1.10	1.05	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

	2011	2012					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	127.3	127.5	127.9	128.6	129.5	130.3	131.0
Change from preceding month (%)	-0.1	0.2	0.3	0.6	0.7	0.6	0.5
Trend adjusted index	97.5	97.1	96.9	97.0	97.1	97.196	97.147
Change from preceding month (%)	-0.7	-0.4	-0.2	0.1	0.1	0.1	-0.05
Components							
Industrial production index(2006=100)	125.6	130.5	122.7	130.0	129.7	129.3	126.8
Electric power consumption (billion kWh)	11.16	12.51	10.30	12.07	11.66	12.42	11.29
Index of producer's shipment for manufacturing (2006=100)	123.1	125.3	120.1	126.4	127.1	127.6	126.5 _p
Sales index of wholesale, retail, and food services (2006=100)	106.1	105.1	109.8	107.2	106.3	110.6	109.3
Nonagricultural employment (1,000)	10,241	10,264	10,274	10,285	10,300	10,307	10,319
Real customs-cleared exports (NT\$ billion)	753.1	748.2	769.3	757.5	767.5	769.9	765.7
Real machineries and electrical equipments imports (NT\$ billion)	249.7	267.6	231.9	253.2	253.8	263.8	250.5

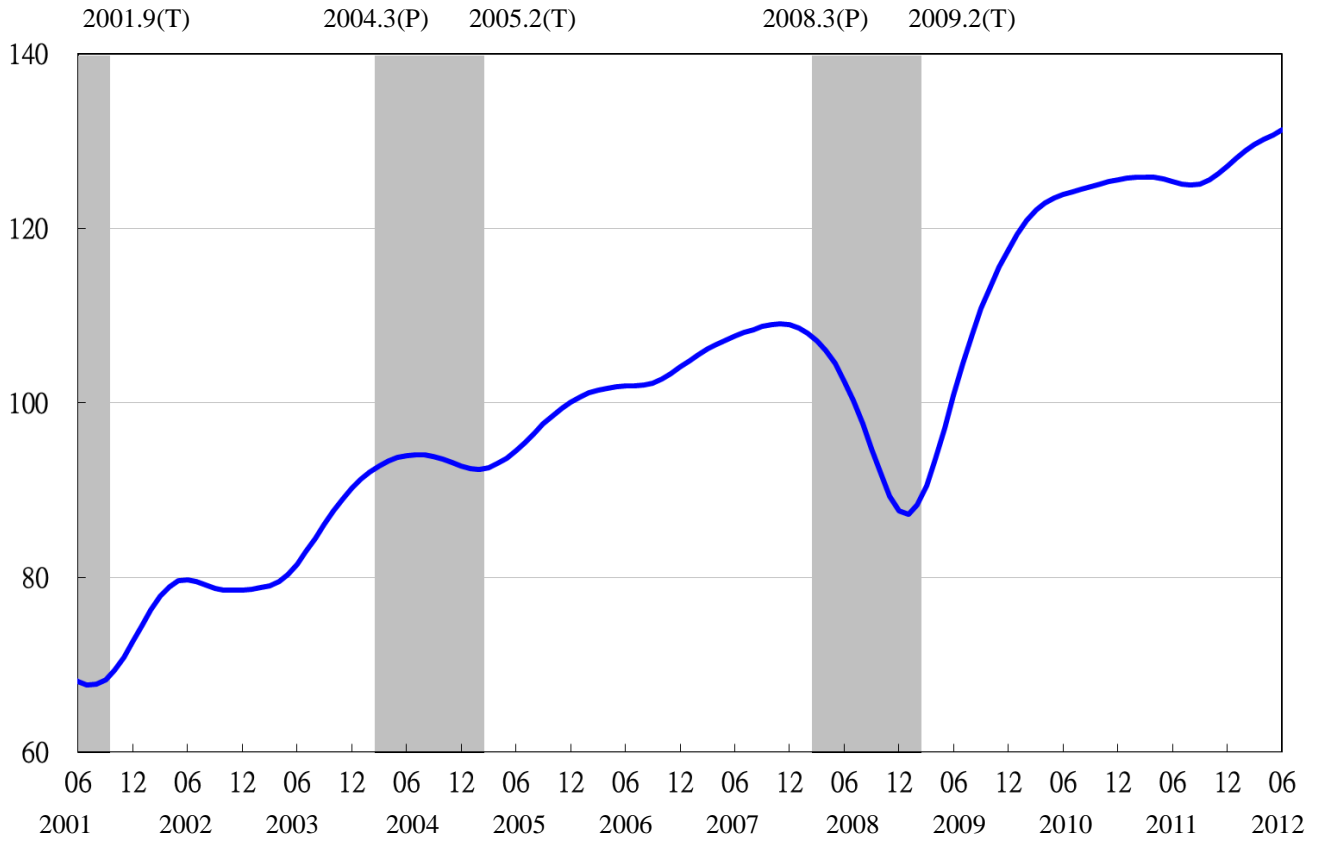
Lagging Indicators

Seasonally adjusted

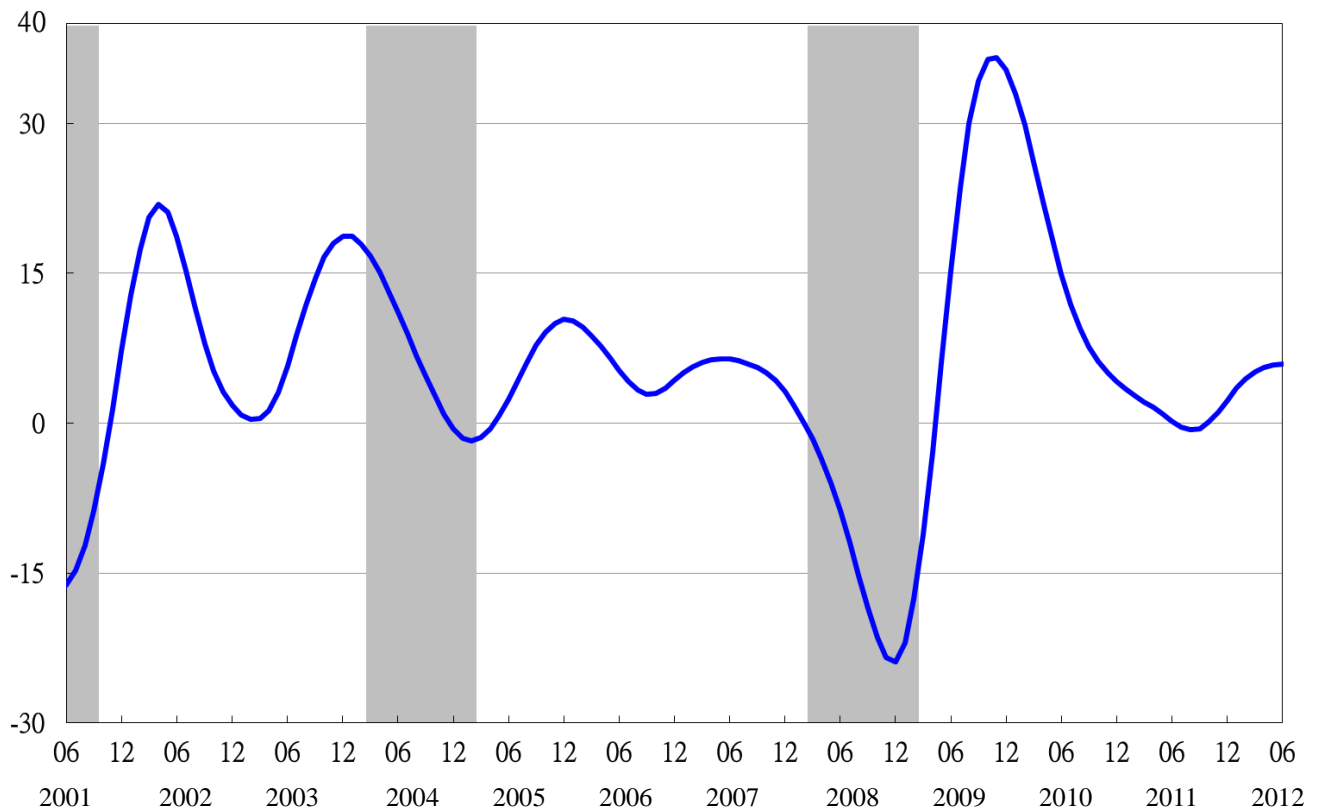
	2011	2012					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	135.8	136.2	136.6	137.1	137.6	138.2	138.9
Change from preceding month (%)	0.5	0.3	0.3	0.4	0.4	0.4	0.5
Trend adjusted index	104.0	103.8	103.5	103.3	103.2	103.1	103.0
Change from preceding month (%)	-0.1	-0.2	-0.3	-0.2	-0.1	-0.1	-0.1
Components							
Unemployment rate* (%)	4.21	4.19	4.15	4.14	4.19	4.25	4.24
Regular employees on payrolls in industry & services (Thousand persons)	6,739	6,749	6,759	6,767	6,774	6,779	6,783 _p
The manufacturing unit output labor cost index (index 2006=100)	86.4	81.0	80.1	81.6	81.6	80.7	85.2 _p
Interbank overnight call-loan rate (percent per annum)	0.400	0.403	0.399	0.402	0.476	0.512	0.513
Loans and investments of monetary financial institutions (NT\$ billion)	24,141	24,245	24,336	24,473	24,610	24,670	24,651
Inventories to sales ratio for manufacturing (%)	68.6	67.4	65.0	67.8	69.9	68.7	67.6 _p

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

Composite Leading Index

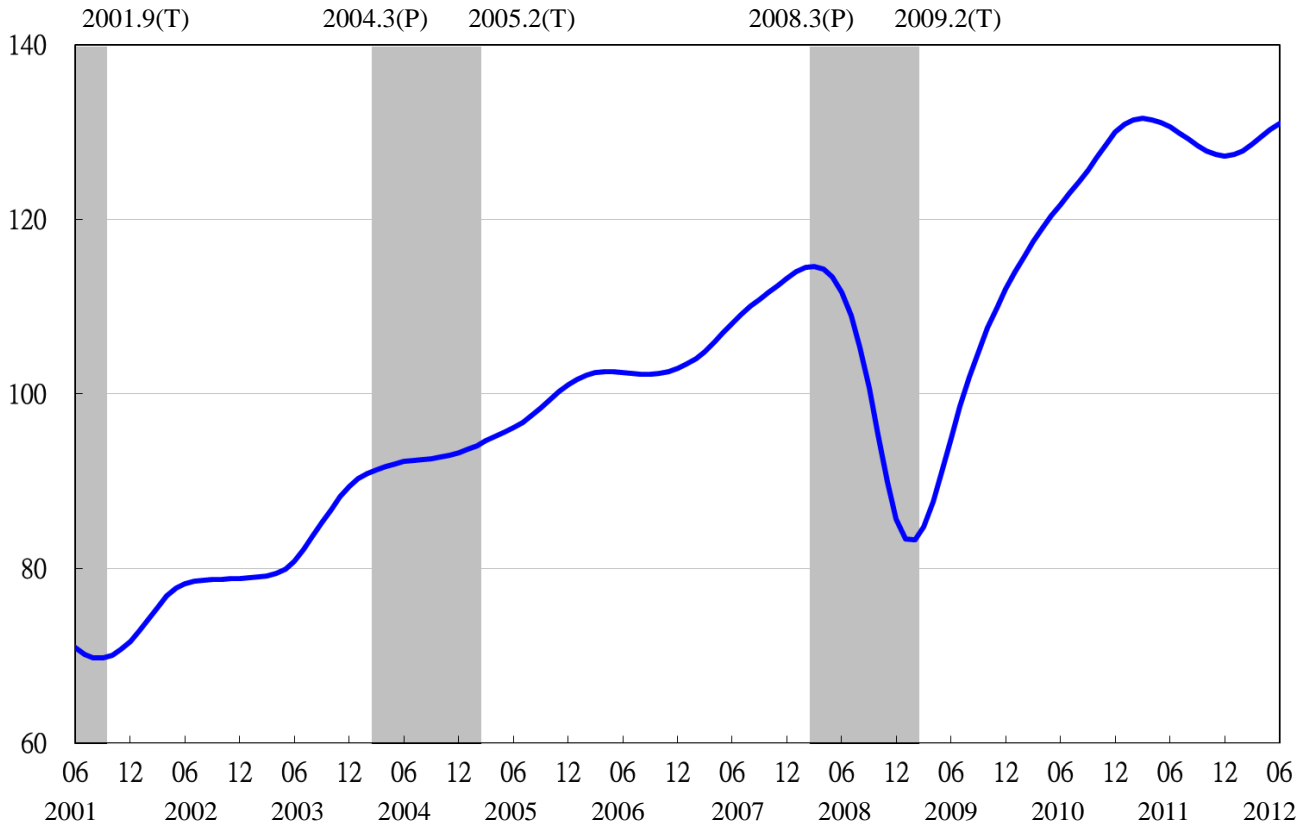


Annualized 6-month rate of change of composite leading index

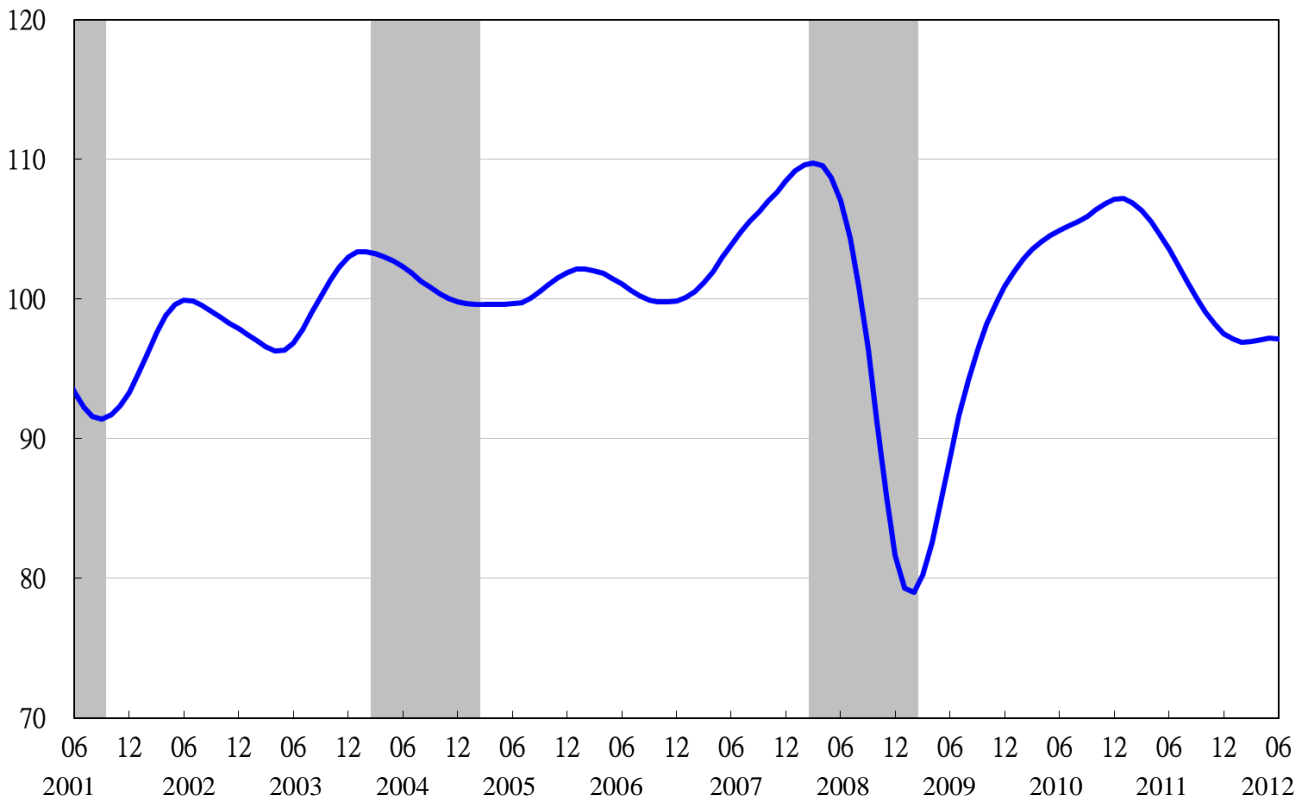


Shaded areas represent recessions.

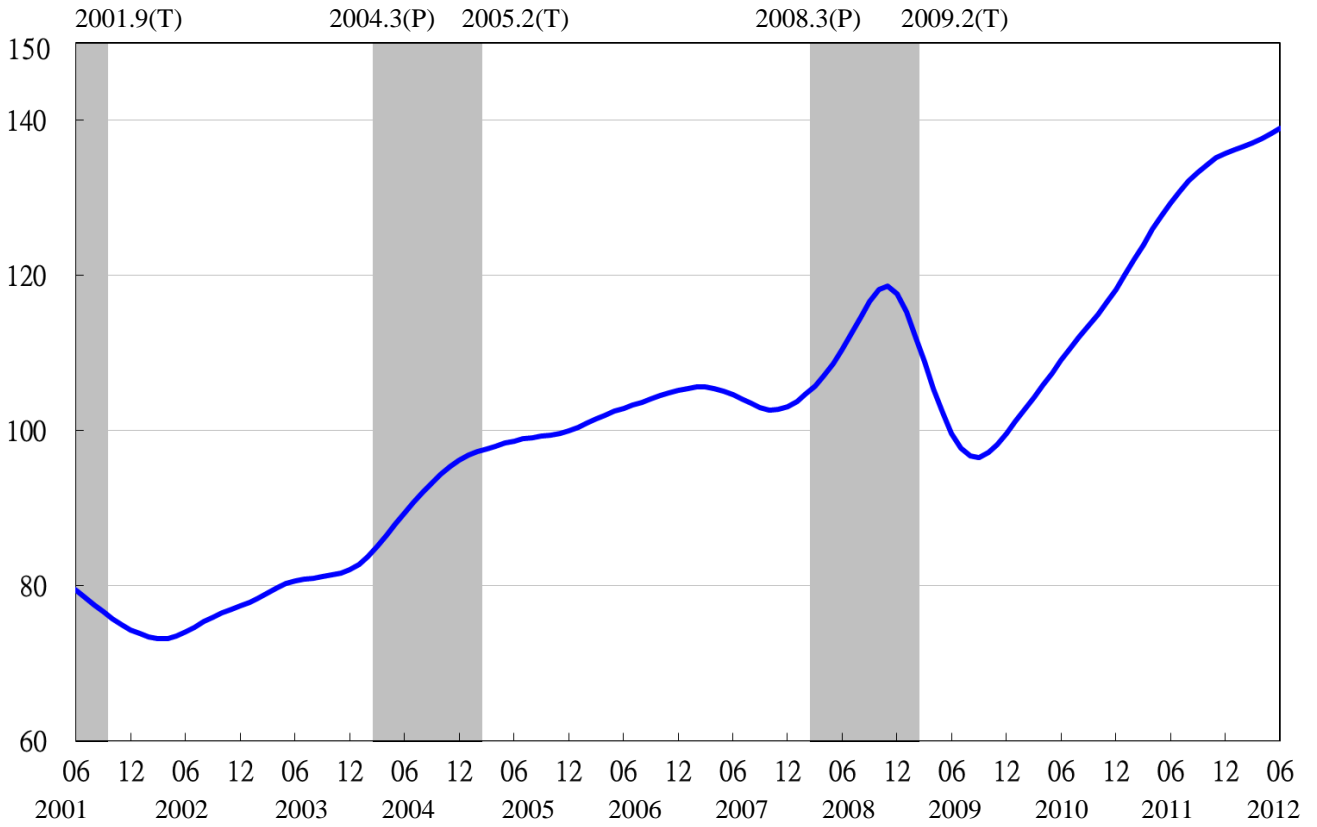
Composite Coincident Index



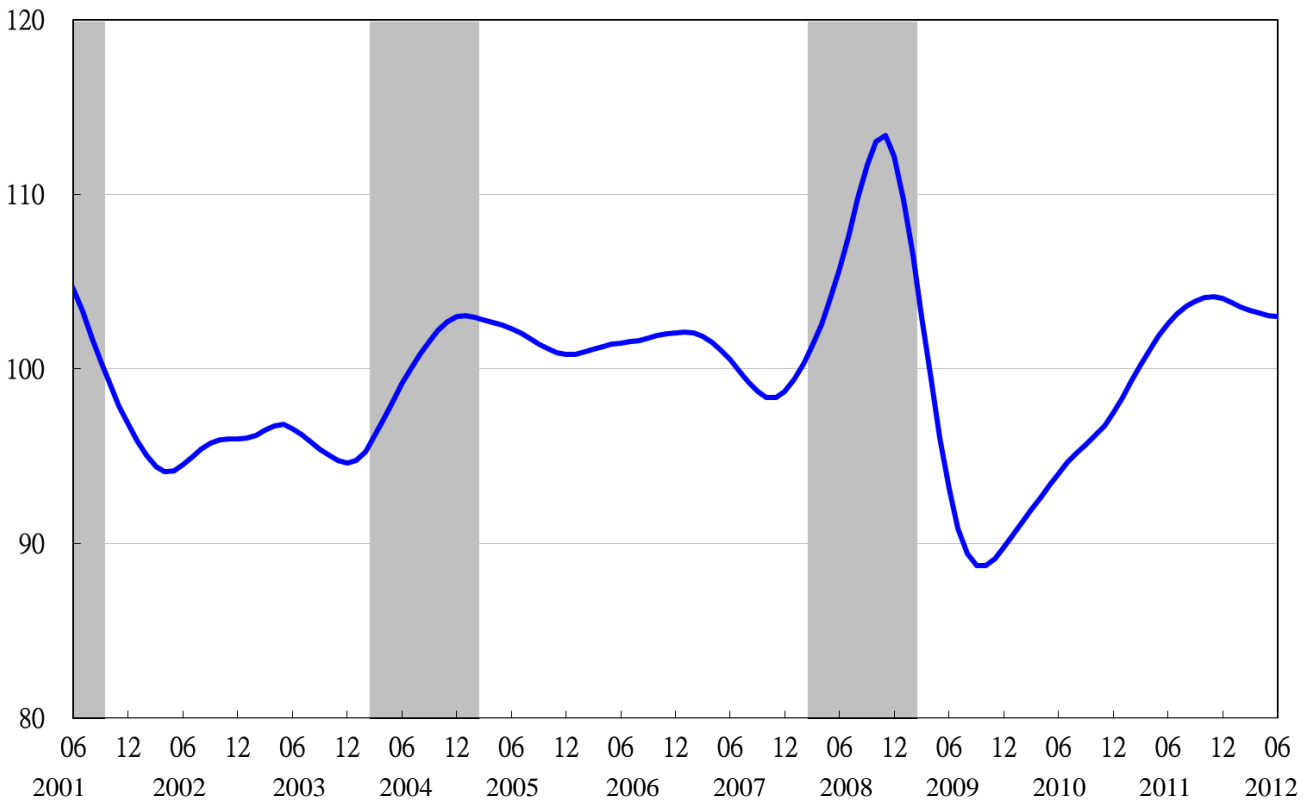
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

	2011												2012					
	5	6	7	8	9	10	11	12	1	2	3	4	5	6				
Total	Light																	
	Score	27	25	23	20	21	19	16	14	13	15	14	14	15	15			
Monetary Aggregates M1B															3.3			
Direct and Indirect Finance															4.8			
Stock Price Index															-18.4			
Industrial Production Index															0.1			
Nonagricultural Employment															1.5			
Customs-Cleared Exports															-0.9			
Imports of Machineries and Electrical Equipments															-7.5			
Manufacturing Sales															-6.9 _p			
Sales Index of Wholesale, Retail and Food Services															-0.9			

● 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.