

## **Taiwan Business Indicators in June 2013**

Press Release

Council for Economic Planning and Development, Executive Yuan

July 26, 2013

In June 2013, the Taiwan Business Indicators showed the economic recovery to remain on the slower track. 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 0.2 points, the trend-adjusted coincident index increased by 0.4% 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 104.2, up by 0.6% from May 2013. Its annualized six-month rate of change increased by 0.2 points to 7.0%. Among the seven indicators making up the trend-adjusted index, the index of producer's inventory for manufacturing (inverted), real monetary aggregates M1B, SEMI book-to-bill ratio, average monthly overtime in industry and services, and the stock price index had positive cyclical movements from the previous month, while the index of export orders and building permits had negative cyclical movement.
2. **Coincident Indicators:** With revised data, the coincident index stood at 102.8, up by 0.6% from May 2013. Its trend-adjusted index increased by 0.4% to 99.9. Among the seven indicators making up the trend-adjusted index, electric power consumption, real machineries and electrical equipments imports, and real customs-cleared exports had positive cyclical movements from the previous month, while nonagricultural employment, the industrial production index, the index of producer's shipment for manufacturing, and the sales index of trade and food services had negative cyclical movements.
3. **Lagging Indicators:** With revised data, the lagging index stood at 102.3, down by 0.3% from May 2013. Its trend-adjusted index decreased by 0.5% to 99.4. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index had positive cyclical movement from the previous month, while the inventories to sales ratio for manufacturing, the unemployment rate

(inverted), regular employees on payrolls in industry and services, loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had negative cyclical movements.

4. The Monitoring Indicators: The total score in June increased by four points to 23, flashing the "green" signal for the first month. Among the nine components, industrial production index and manufacturing sales each changed its individual light signal from "blue" to "yellow-blue", customs cleared exports and imports of machineries and electrical equipments each changed its individual light signal from "yellow-blue" to "green", each gained one point. The light signals for the rest of five components remained unchanged.

**~~ The next release is scheduled for August 27 2013 ~~**

### Leading Indicators

	Seasonally adjusted						
	2012	2013					
	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Composite Index</b>	100.8	101.4	102.0	102.5	103.0	103.6	104.2
Change from preceding month (%)	0.7	0.7	0.5	0.5	0.6	0.6	0.6
Annualized 6-month rate of change (%)	4.7	5.4	5.8	6.1	6.5	6.8	7.0
Change from preceding month (point)	0.9	0.7	0.4	0.3	0.4	0.3	0.2
<b>Components</b>							
Index of export orders (2011=100)	112.0	106.9	103.0	99.8	102.8	102.5	102.4
Real monetary aggregates M1B (NT\$ billion)	11,945	12,029	11,908	12,234	12,250	12,417	12,541
Stock price index(1966=100)	7,631	7,759	7,933	7,907	7,893	8,272	7,989
Index of producer's Inventory for manufacturing*(2011=100)	108.3	107.8	108.0	110.7	110.4	106.3	105.9 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	8.2	8.2	8.4	8.3	8.4	8.4	8.4 <sub>p</sub>
Building Permits ** (1,000m <sup>2</sup> )	2,267	2,741	2,905	2,319	3,016	3,022	2,311
SEMI Book-to-Bill Ratio	0.92	1.11	1.10	1.11	1.08	1.08	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					
	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Composite Index</b>	101.0	101.2	101.2	101.4	101.7	102.2	102.8
Change from preceding month (%)	0.1	0.1	0.1	0.1	0.3	0.5	0.6
Trend adjusted index	99.2	99.2	99.1	99.0	99.2	99.5	99.9
Change from preceding month (%)	-0.1	-0.1	-0.1	-0.0	0.2	0.3	0.4
<b>Components</b>							
Industrial production index(2011=100)	99.5	101.7	100.1	99.2	98.2	99.0	99.7
Electric power consumption (billion kWh)	11.02	12.05	11.77	11.39	11.87	11.94	12.39
Index of producer's shipment for manufacturing (2011=100)	99.3	101.5	97.5	94.9	96.3	97.9	97.7 <sub>p</sub>
Sales index of trade and food services (2006=100)	111.7	110.6	110.2	109.6	110.9	111.0	110.3
Nonagricultural employment (1,000)	10,373	10,381	10,400	10,404	10,408	10,412	10,421
Real customs-cleared exports (NT\$ billion)	786.2	775.4	751.1	779.3	767.9	783.9	804.7
Real machineries and electrical equipments imports* (NT\$ billion)	204.5	217.8	211.3	211.7	207.8	216.9	218.9

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.

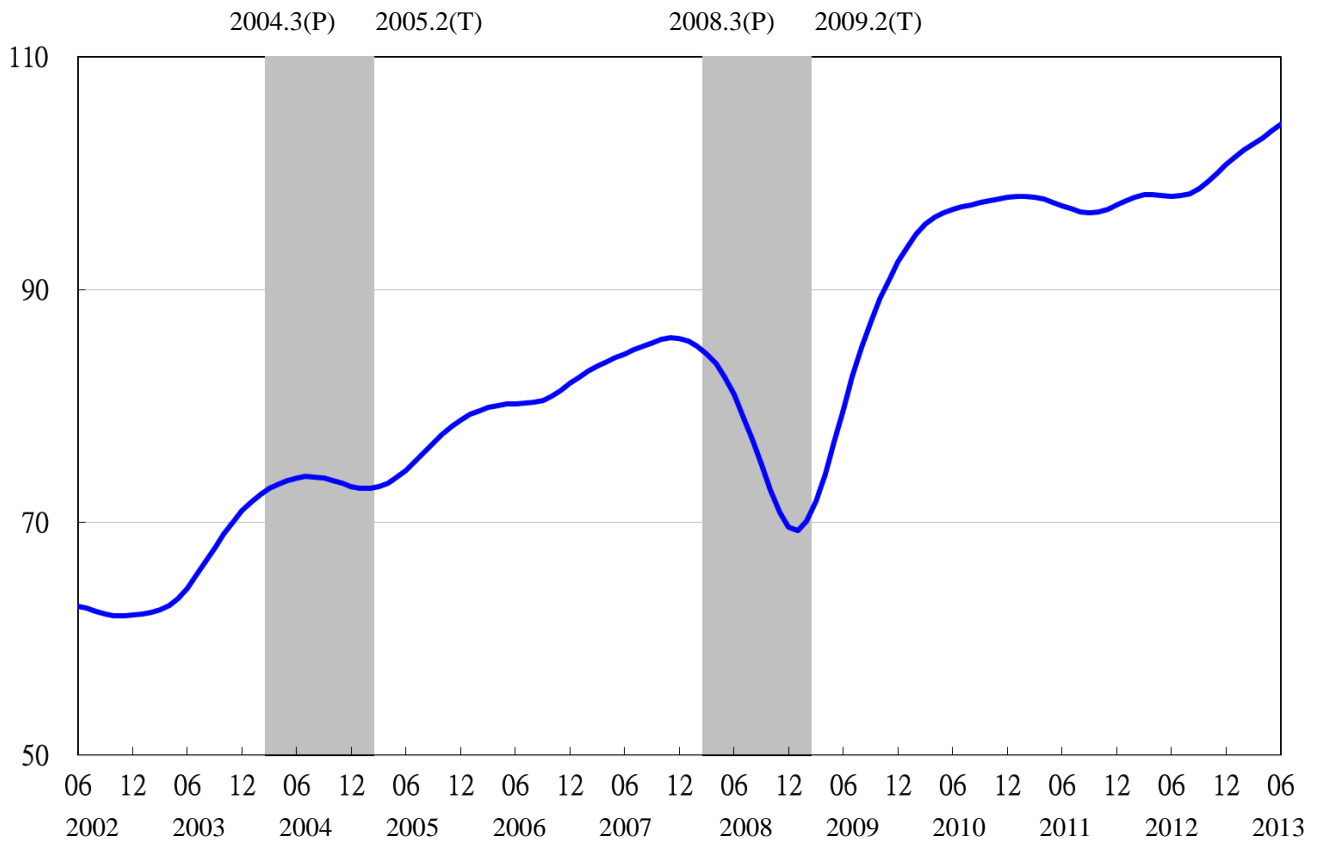
## Lagging Indicators

Seasonally adjusted

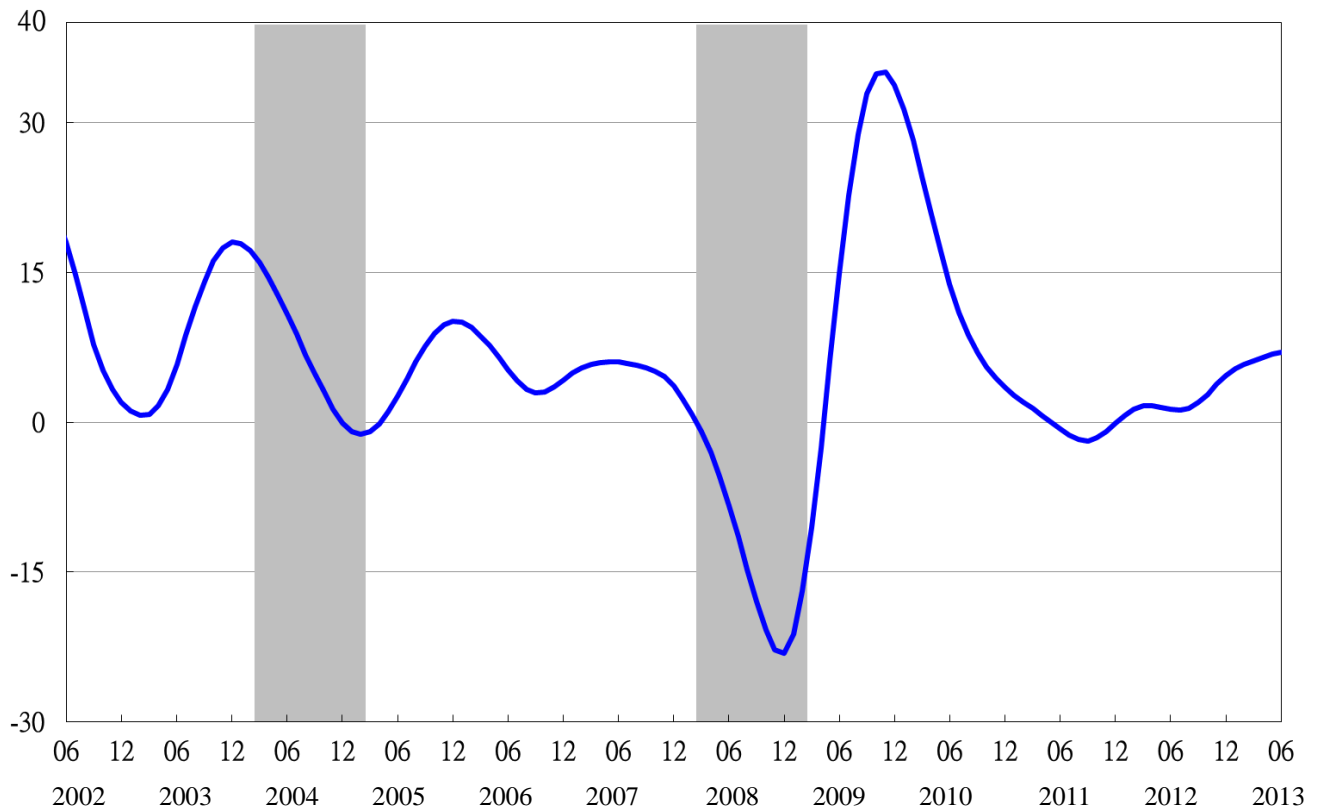
	2012	2013					
	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Composite Index</b>	102.4	102.6	102.8	102.9	102.8	102.6	102.3
Change from preceding month (%)	0.2	0.2	0.2	0.1	-0.1	-0.2	-0.3
Trend adjusted index	100.6	100.6	100.6	100.6	100.3	99.9	99.4
Change from preceding month (%)	-0.0	0.0	0.0	-0.1	-0.3	-0.4	-0.5
<b>Components</b>							
Unemployment rate* (%)	4.21	4.20	4.16	4.18	4.19	4.19	4.17
Regular employees on payrolls in industry & services (Thousand persons)	6,795	6,804	6,819	6,820	6,827	6,835	6,843 <sub>p</sub>
The manufacturing unit output labor cost index (index 2006=100)	85.4	78.9	85.6	84.5	85.4	84.6	84.3 <sub>p</sub>
Interbank overnight call-loan rate (percent per annum)	0.388	0.387	0.387	0.387	0.386	0.386	0.386
Loans and investments of monetary financial institutions (NT\$ billion)	25,510	25,602	25,718	25,934	25,986	25,979	26,131
Inventories to sales ratio for manufacturing (%)	69.0	68.2	70.1	73.2	72.0	66.8	66.5 <sub>p</sub>

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

## Composite Leading Index

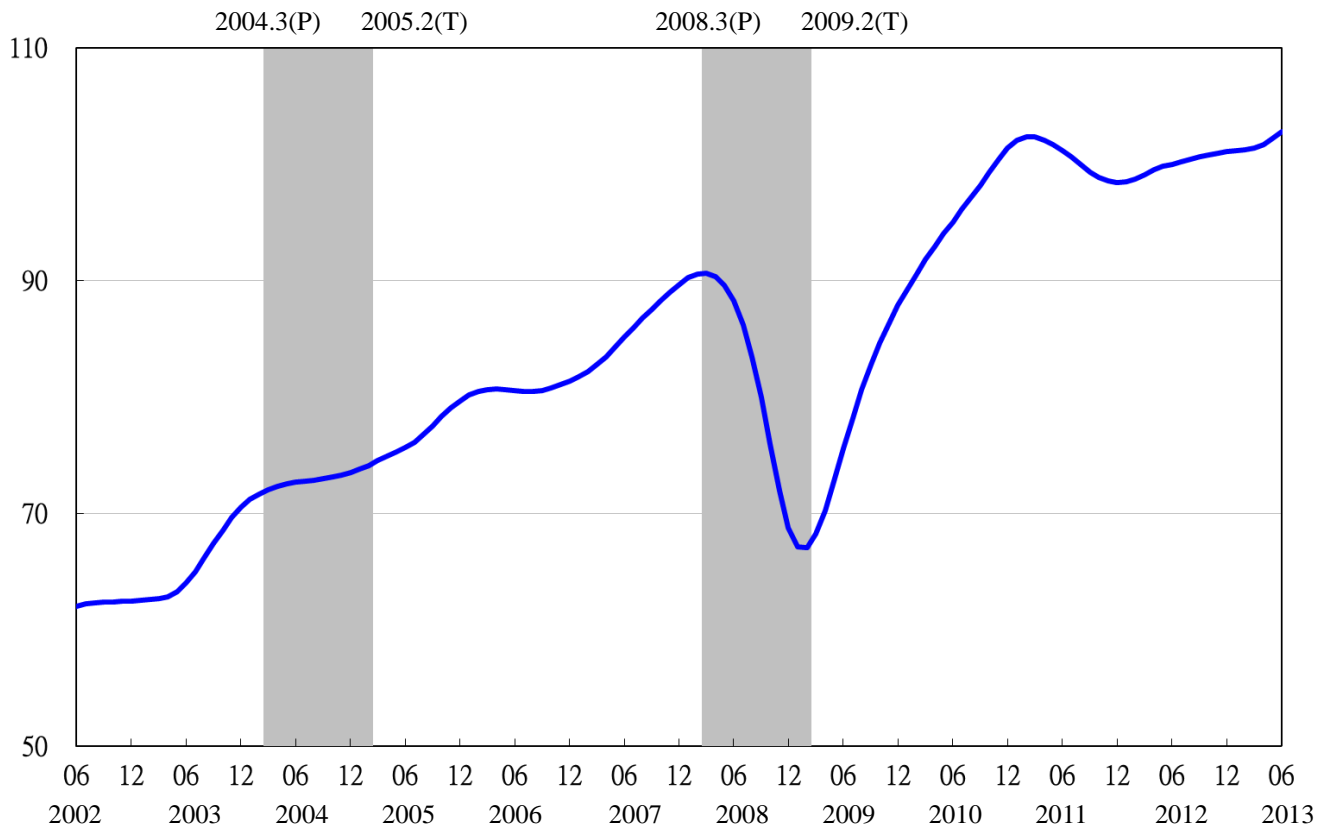


## Annualized 6-month rate of change of composite leading index

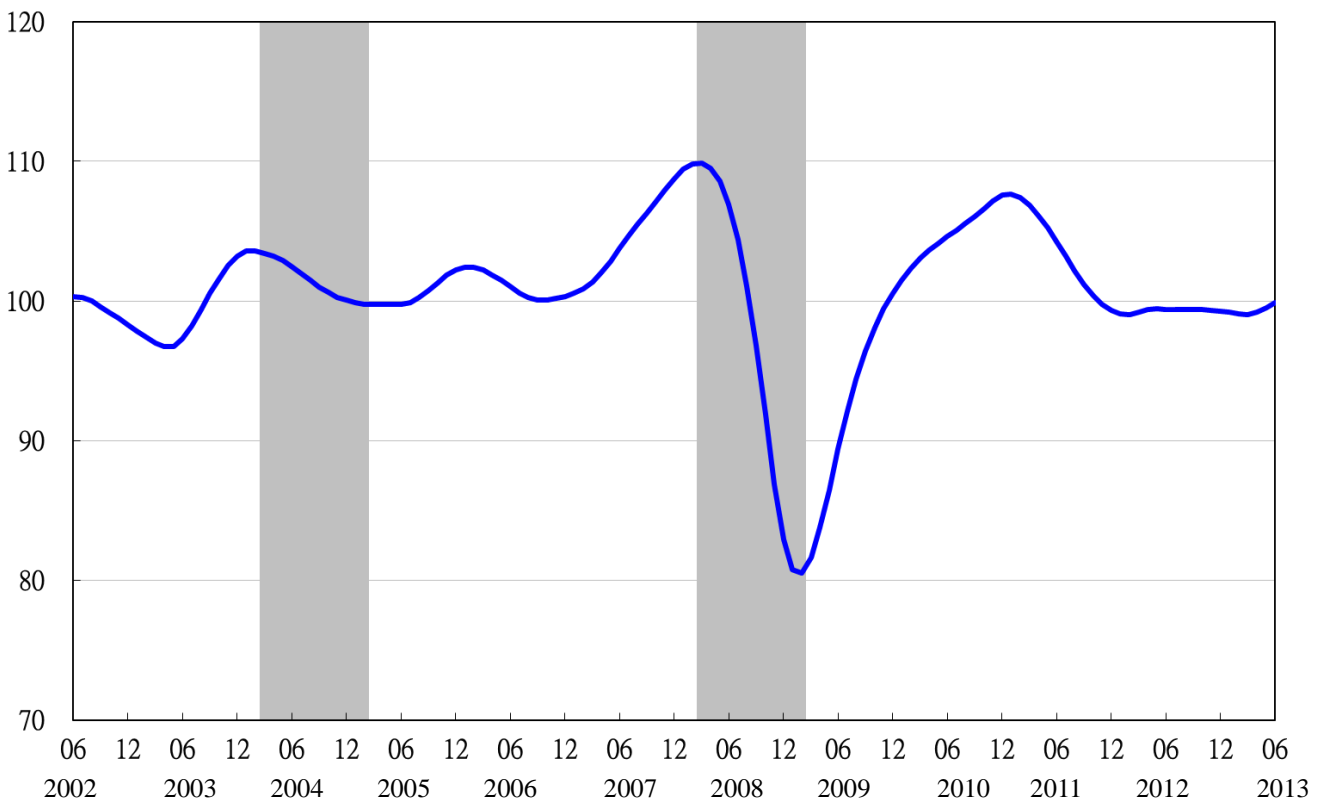


Shaded areas represent recessions.

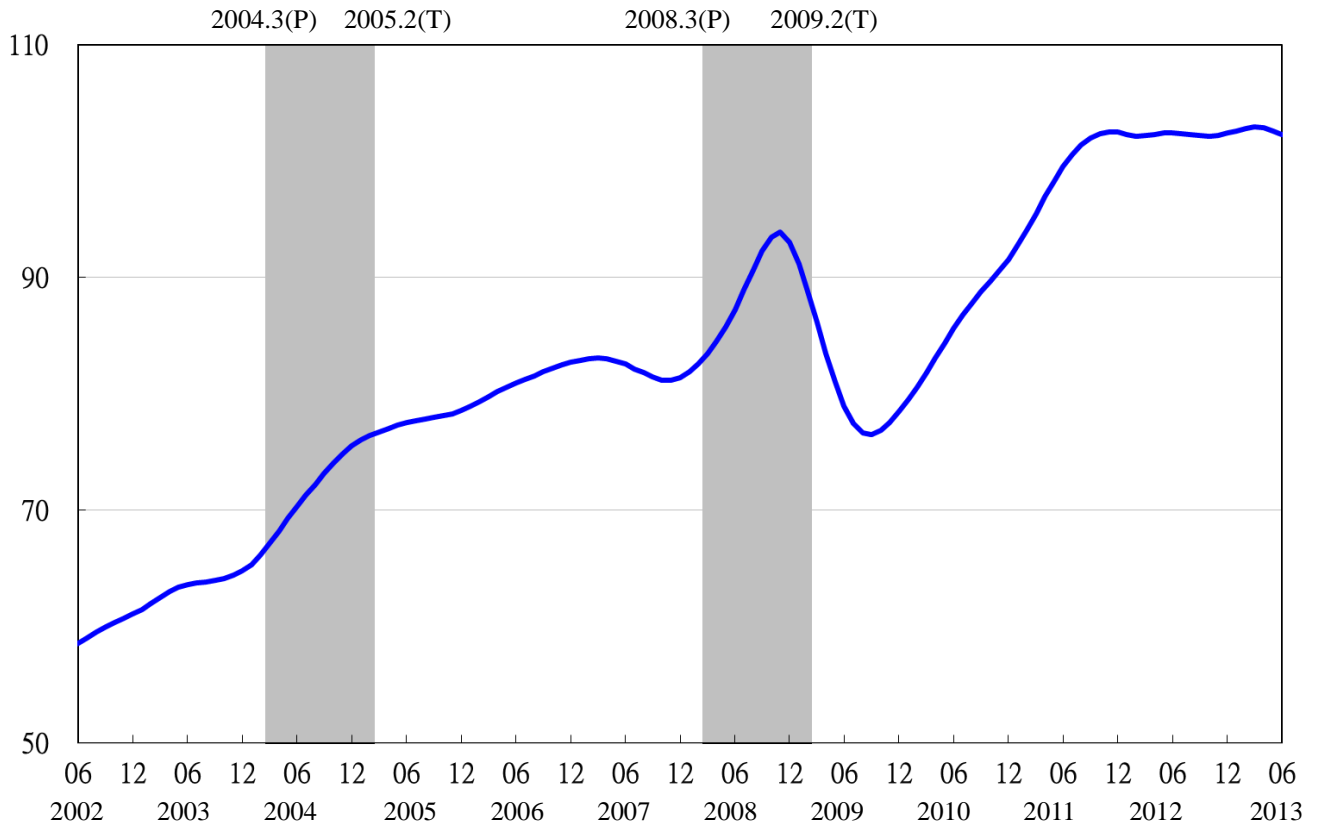
## Composite Coincident Index



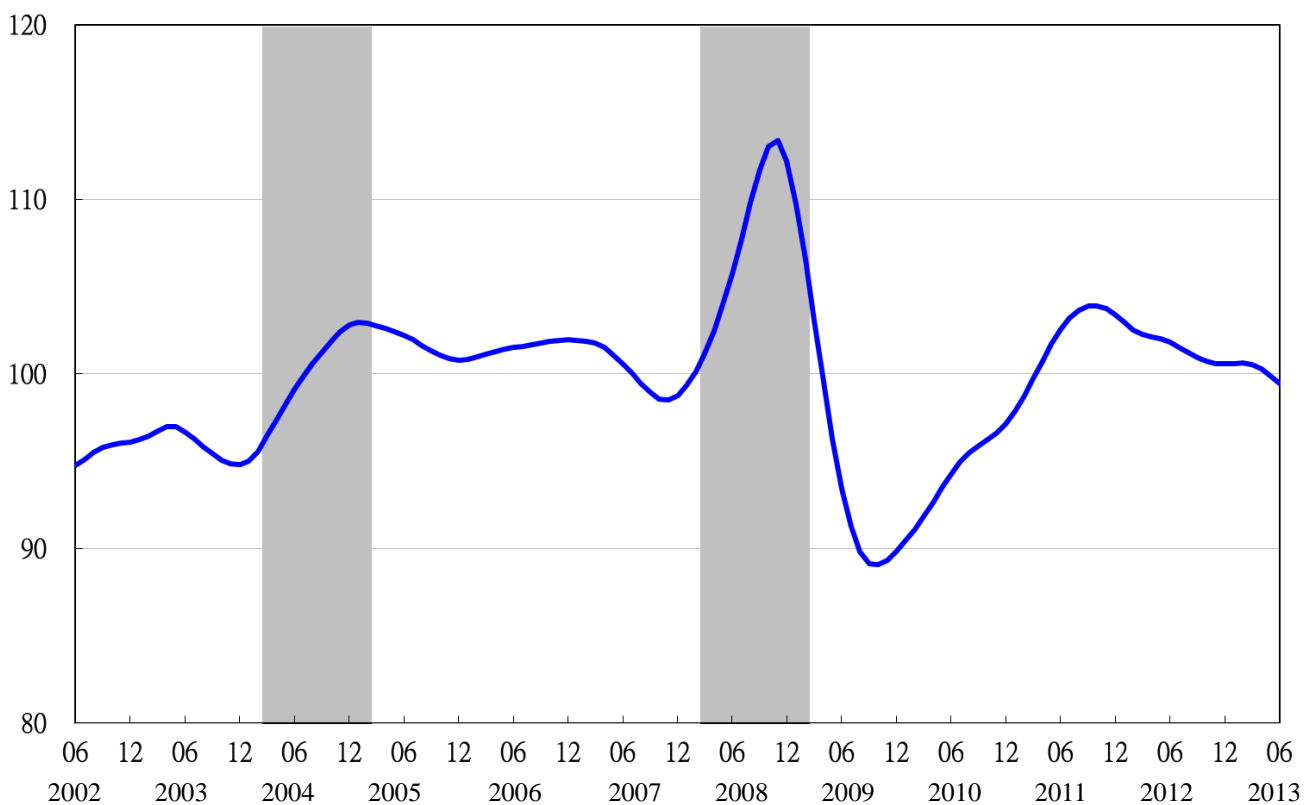
## Trend-adjusted composite coincident index



## Composite Lagging Index



## Trend-adjusted composite lagging index



## Monitoring Indicators

		101(2012)								102(2013)					
		5	6	7	8	9	10	11	12	1	2	3	4	5	6
Total	Light														
	Score	15	15	16	15	20	19	21	22	19	20	18	17	19	23
Monetary Aggregates M1B															8.0
Direct and Indirect Finance															4.5
Stock Price Index															11.8
Industrial Production Index															1.5
Nonagricultural Employment															1.01
Customs-Cleared Exports															7.6
Imports of Machineries and Electrical Equipments															8.6
Manufacturing Sales															2.7 <sub>p</sub>
Sales Index of Trade and Food Services															1.3

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.