

Taiwan Business Indicators in May 2012

Press Release

Council for Economic Planning and Development

June 27, 2012

In May 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 0.3 points, the trend-adjusted coincident index increased by 0.6% 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 131.4, up by 0.5% from April 2012. Its annualized six-month rate of change increased by 0.3 points to 6.2%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, average monthly overtime in industry and services, stock price index had positive cyclical movements from previous month. Real monetary aggregates M1B, index of producer's inventory for manufacturing (inverted), index of export orders, and building permits had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 132.3, up by 1.2% from April 2012. Its trend-adjusted index increased by 0.6% to 97.9. Among the seven indicators making up the trend-adjusted index, electric power consumption, the sales index of wholesale, retail and food services, real machineries and electrical equipments imports, index of producer's shipment for manufacturing, industrial production index had positive cyclical movements from previous month. 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 139.3, up by 0.4% from April 2012. Its trend-adjusted index decreased by 0.2% to 103.1. Among the six indicators making up the trend-adjusted index, the inventories to sales ratio for manufacturing 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, manufacturing unit output labor cost index, loans and investments of monetary financial institutions had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in May increased 1 point to 15. The overall light signal flashed the "blue" signal for the seventh consecutive month. Among the nine components, sales index of wholesale, retail and food services gained one point and changed its individual light signal from "blue" to "yellow-blue". The light signals for the rest of eight components remained unchanged.

~~ **The next release is scheduled for July 27 2012** ~~

Leading Indicators

Seasonally adjusted

	2011		2012				
	Nov	Dec	Jan	Feb	Mar	Apr	May
Composite Index	126.6	127.6	128.5	129.4	130.1	130.8	131.4
Change from preceding month (%)	0.6	0.7	0.7	0.7	0.6	0.5	0.5
Annualized 6-month rate of change (%)	1.4	2.6	3.7	4.7	5.4	5.9	6.2
Change from preceding month (point)	1.0	1.2	1.2	1.0	0.7	0.4	0.3
Components							
Index of export orders (2006=100)	137.0	137.4	139.7	136.8	137.6	136.3	136.6
Real monetary aggregates M1B (NT\$ billion)	10,883	10,917	10,862	11,026	11,004	10,966	10,910
Stock price index(1966=100)	7,275	6,969	7,177	7,856	8,020	7,621	7,357
Index of producer's Inventory for manufacturing*(2006=100)	124.3	123.7	126.5	126.1	128.2	131.0	130.2 _p
Average monthly overtime in industry and services (hours/month)	8.0	8.0	8.1	8.1	8.0	8.1	8.2 _p
Building Permits ** (1,000m2)	2,424	2,605	2,289	2,309	2,490	2,195	2,507
SEMI Book-to-Bill Ratio	0.83	0.85	0.96	1.01	1.12	1.10	1.05

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				
	Nov	Dec	Jan	Feb	Mar	Apr	May
Composite Index	127.4	127.3	127.6	128.2	129.3	130.7	132.3
Change from preceding month (%)	-0.3	-0.1	0.2	0.4	0.9	1.1	1.2
Trend adjusted index	97.7	97.0	96.7	96.5	96.8	97.3	97.9
Change from preceding month (%)	-0.9	-0.7	-0.4	-0.1	0.3	0.5	0.6
Components							
Industrial production index(2006=100)	125.8	125.6	130.5	122.7	130.0	129.7	129.3
Electric power consumption (billion kWh)	11.88	11.18	12.53	10.28	12.08	11.73	12.38
Index of producer's shipment for manufacturing (2006=100)	125.4	123.0	125.3	120.4	126.9	127.1	127.3 _p
Sales index of wholesale, retail, and food services (2006=100)	106.1	106.1	105.1	109.8	107.2	106.3	110.1
Nonagricultural employment (1,000)	10,217	10,241	10,264	10,274	10,285	10,300	10,307
Real customs-cleared exports (NT\$ billion)	749.2	753.7	749.3	770.3	758.6	770.5	769.3
Real machineries and electrical equipments imports (NT\$ billion)	244.0	249.7	267.7	232.0	253.3	253.9	263.9

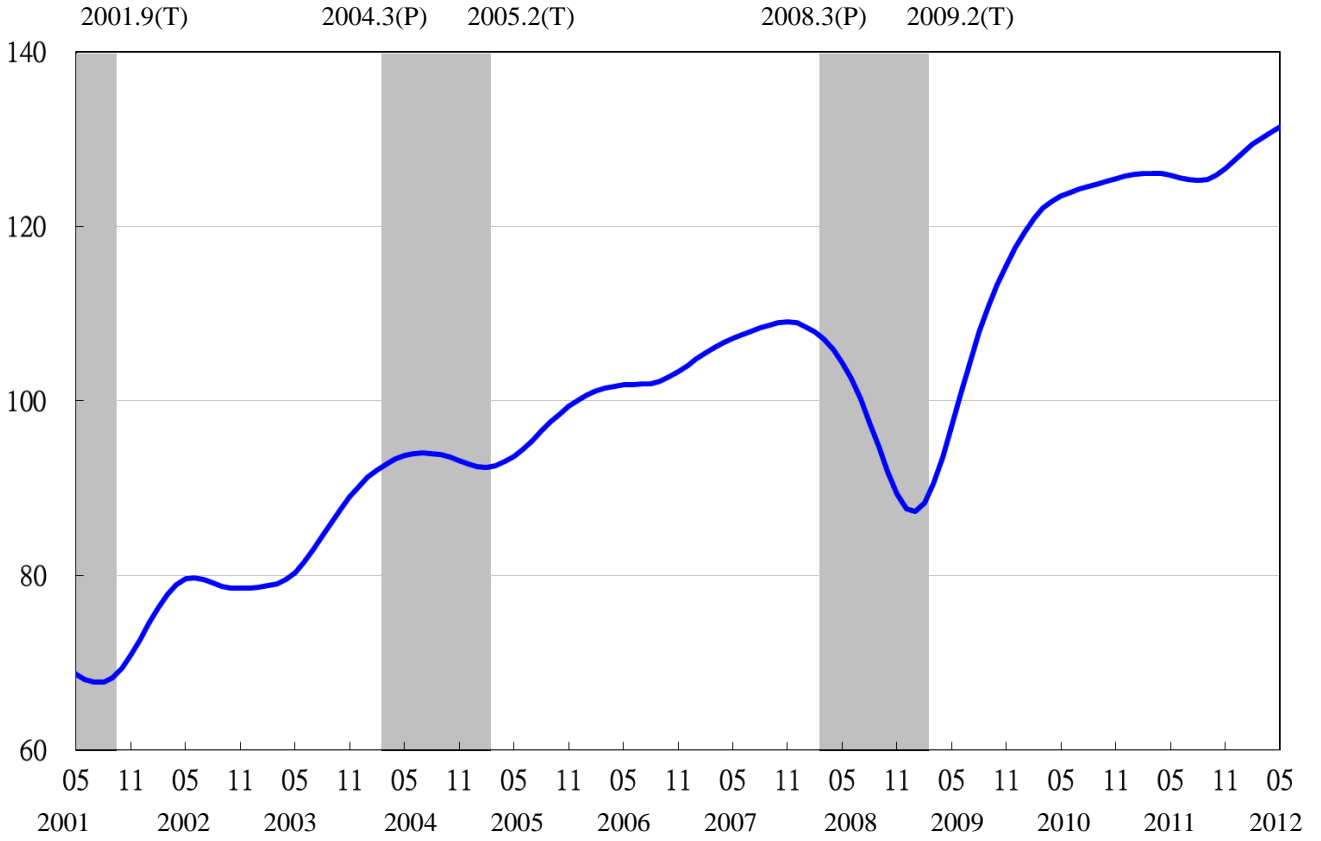
Lagging Indicators

Seasonally adjusted

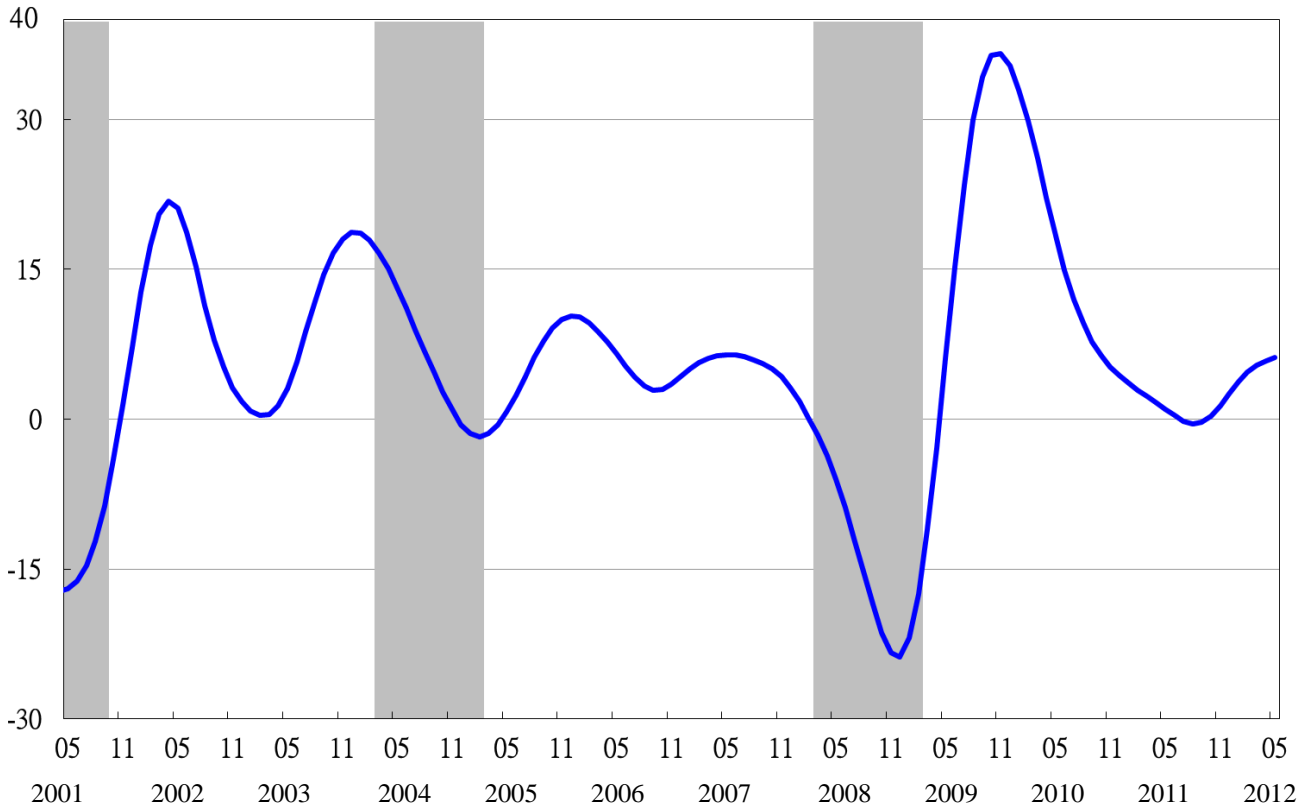
	2011		2012				
	Nov	Dec	Jan	Feb	Mar	Apr	May
Composite Index	136.2	136.9	137.4	137.8	138.3	138.8	139.3
Change from preceding month (%)	0.7	0.5	0.4	0.3	0.4	0.4	0.4
Trend adjusted index	104.4	104.3	104.1	103.8	103.6	103.4	103.1
Change from preceding month (%)	0.1	-0.1	-0.2	-0.3	-0.2	-0.2	-0.2
Components							
Unemployment rate* (%)	4.29	4.21	4.19	4.15	4.14	4.19	4.25
Regular employees on payrolls in industry & services (Thousand persons)	6,726	6,738	6,748	6,759	6,768	6,775	6,779 _p
The manufacturing unit output labor cost index (index 2006=100)	82.6	86.3	81.0	80.0	81.4	81.3	80.6 _p
Interbank overnight call-loan rate (percent per annum)	0.396	0.400	0.403	0.399	0.402	0.476	0.512
Loans and investments of monetary financial institutions (NT\$ billion)	24,127	24,132	24,244	24,344	24,488	24,628	24,697
Inventories to sales ratio for manufacturing (%)	67.4	68.6	67.5	65.0	67.9	70.0	69.6 _p

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

Composite Leading Index

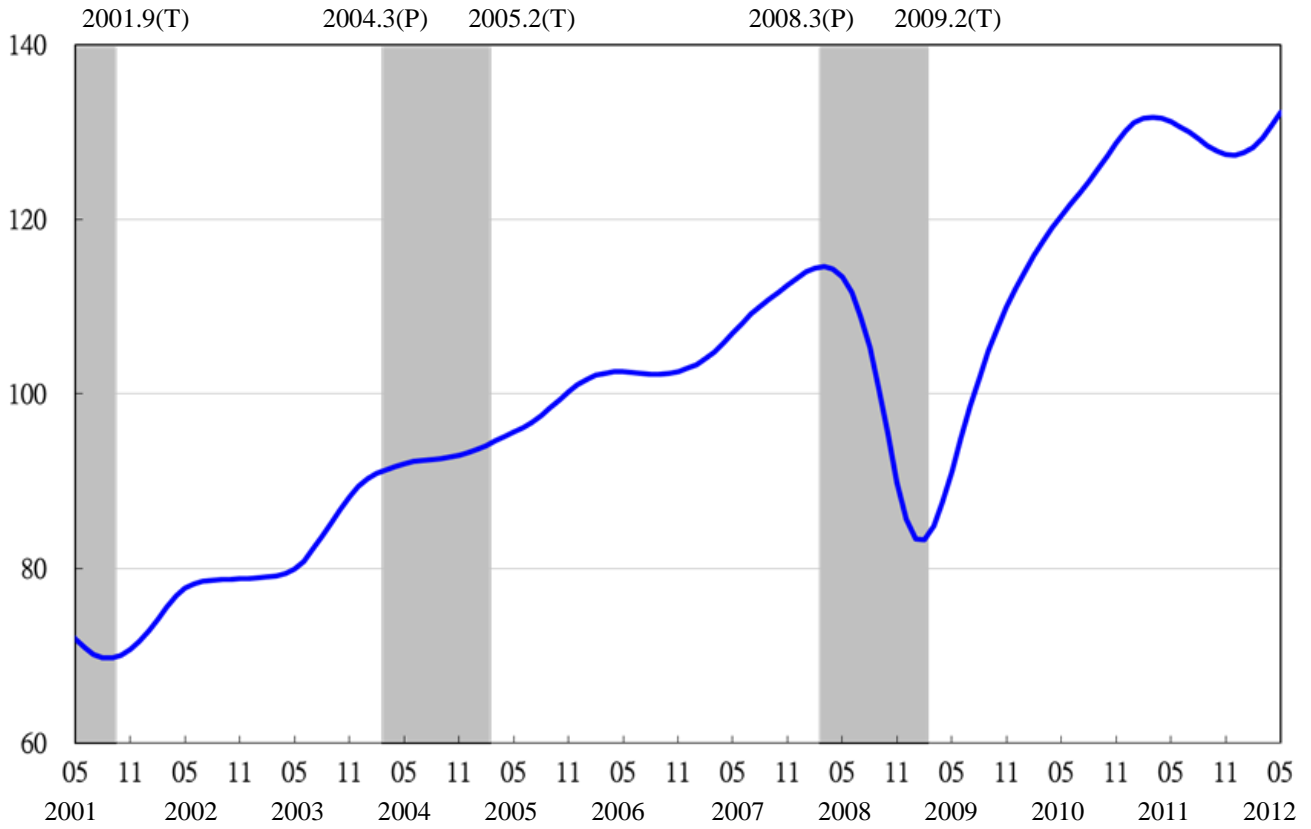


Annualized 6-month rate of change of composite leading index

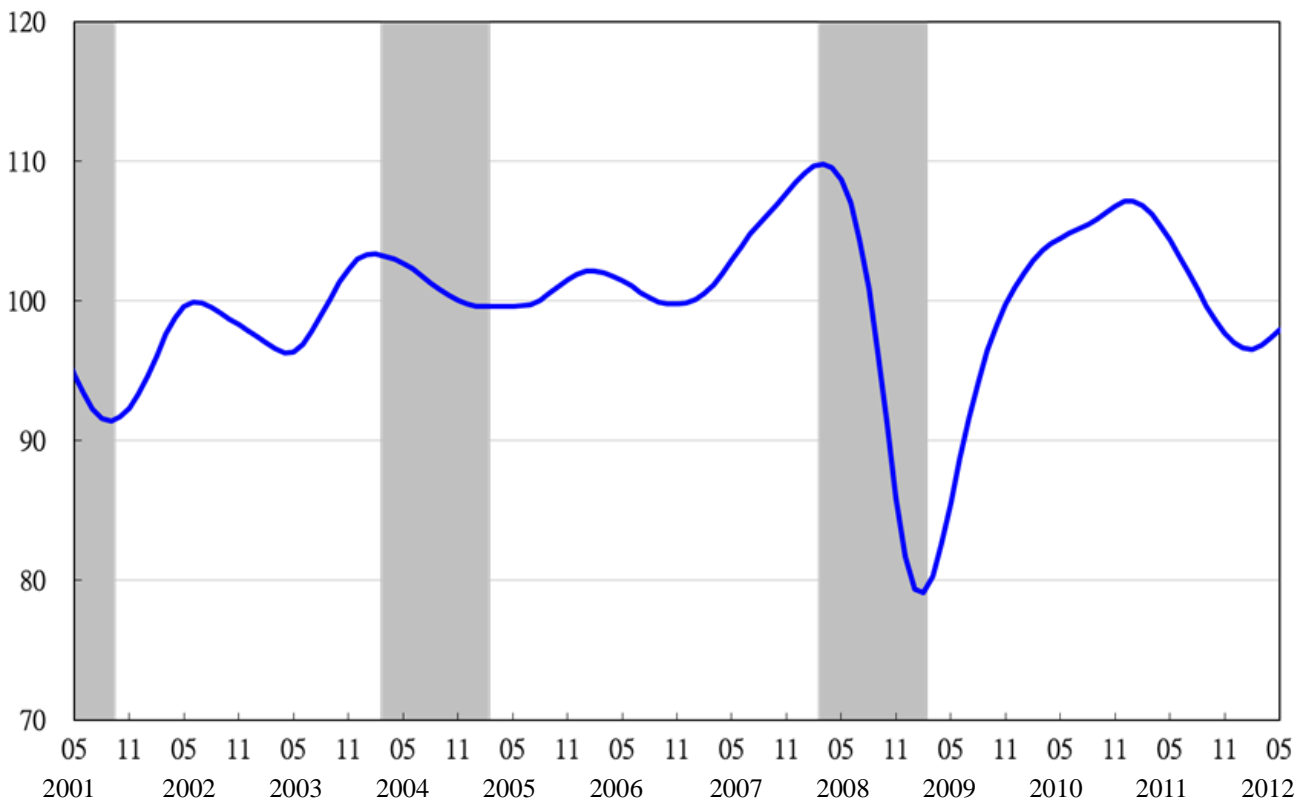


Shaded areas represent recessions.

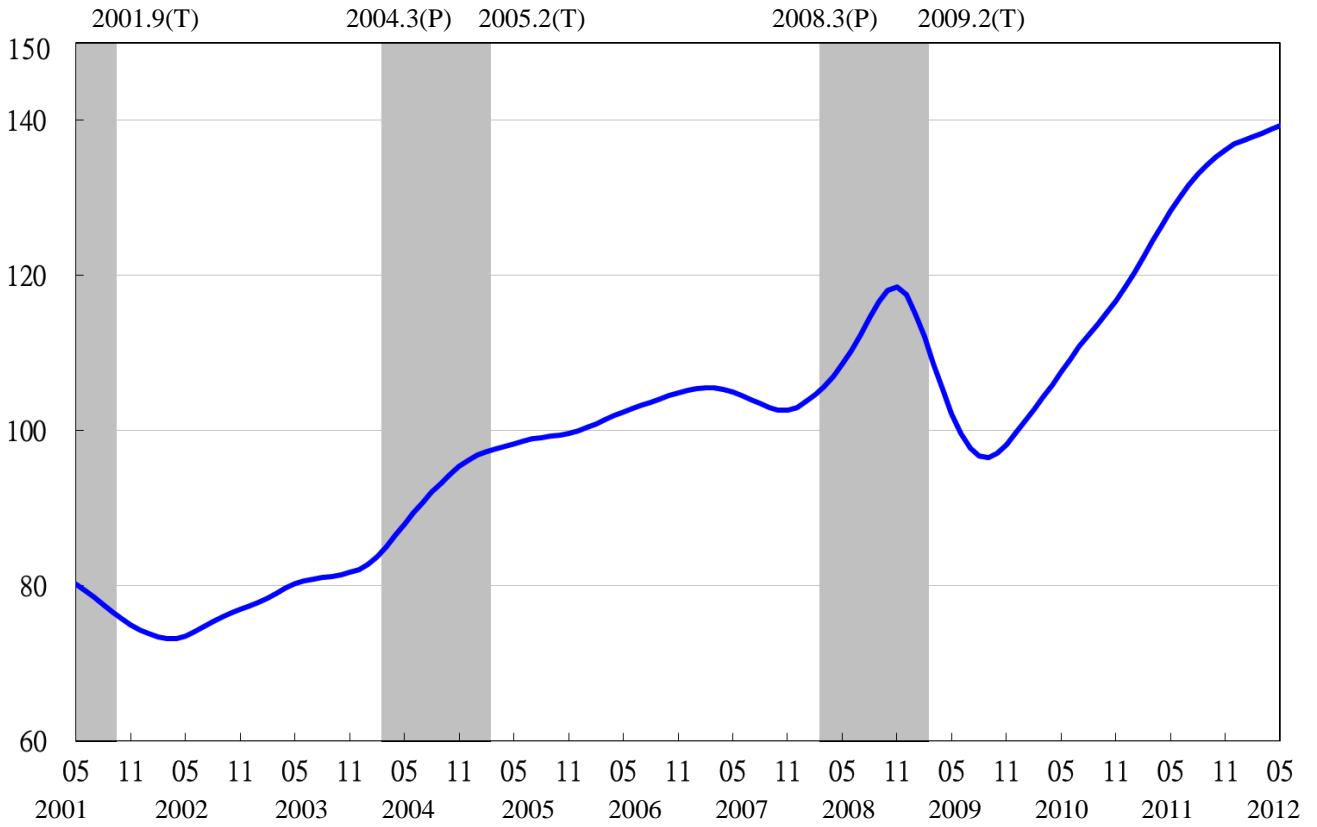
Composite Coincident Index



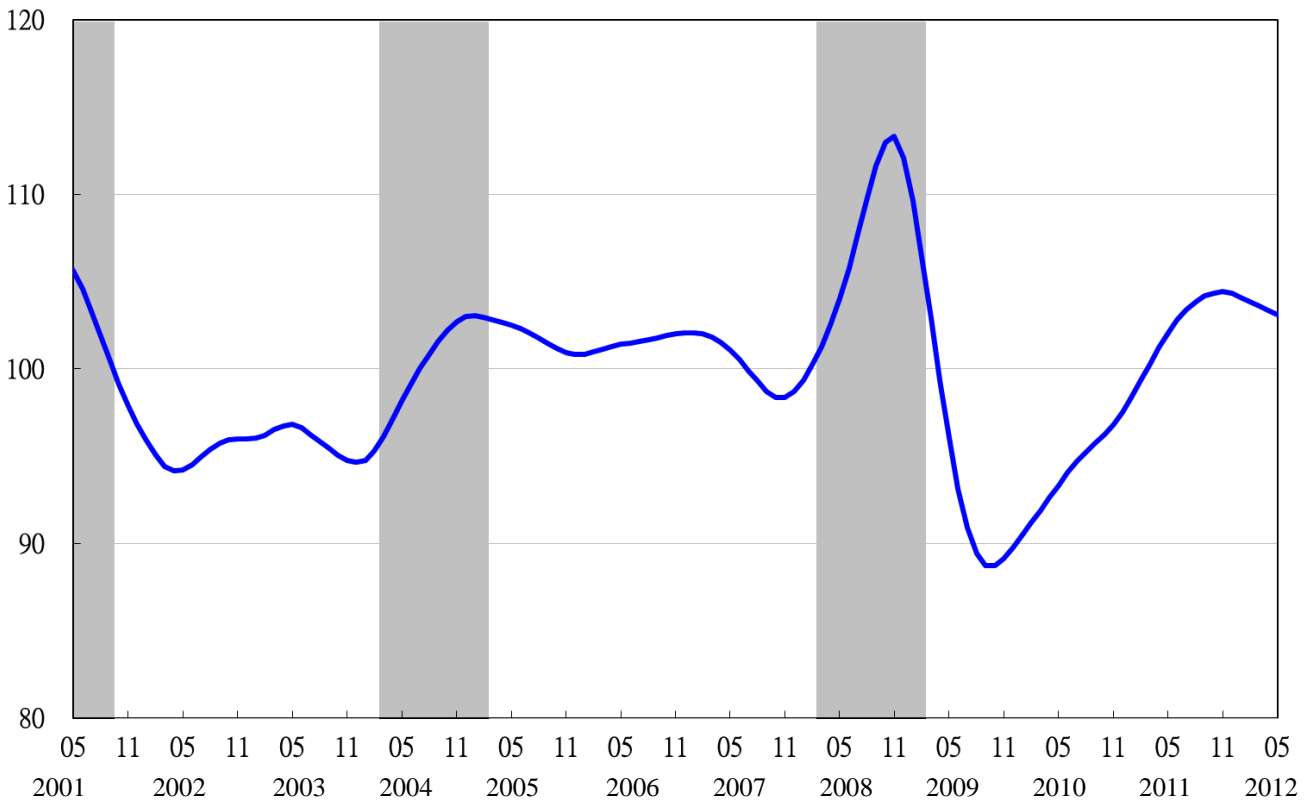
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		2011										2012				
		4	5	6	7	8	9	10	11	12	1	2	3	4	5	
Total	Light															
	Score	29	27	25	23	20	21	19	16	14	13	15	14	14	15	
Monetary Aggregates M1B															3.4	
Direct and Indirect Finance															4.9	
Stock Price Index															-17.4	
Industrial Production Index															-1.1	
Nonagricultural Employment															1.6	
Customs-Cleared Exports															-3.6	
Imports of Machineries and Electrical Equipments															-12.5	
Manufacturing Sales															-1.5 _p	
Sales Index of Wholesale, Retail and Food Services															0.01	

● 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.