

## Taiwan Business Indicators in March 2012

Press Release

Council for Economic Planning and Development

April 27, 2012

In March 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 1.8 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 132.1, up by 1.2% from February 2012. Its annualized six-month rate of change increased by 1.8 points to 8.4%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, index of producer's inventory for manufacturing (inverted), stock price index, and index of export orders had positive cyclical movements from previous month. Real monetary aggregates M1B, 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 127.5, up by 0.1% from February 2012. Its trend-adjusted index decreased by 0.6% to 94.7. Among the seven indicators making up the trend-adjusted index, the sales index of wholesale, retail and food services had positive cyclical movements from previous month. Index of producer's shipment for manufacturing, electric power consumption, real machineries and electrical equipments imports, real customs-cleared exports, the industrial production index, and nonagricultural employment had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 139.2, up by 0.1% from February 2012. Its trend-adjusted index decreased by 0.5% to 103.4. Among the six indicators making up the trend-adjusted index, the interbank overnight call-loan rate had positive cyclical movement from previous month. The inventories to

sales ratio for manufacturing, manufacturing unit output labor cost index, regular employees on payrolls in industry and services, unemployment rate (inverted), loans and investments of monetary financial institutions had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in March was down by 1 point to 14, flashing the "blue" signal for the fifth consecutive month. Among the nine components, 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 eight components remained unchanged.

~~ The next release is scheduled for May 28 2012 ~~

### Leading Indicators

	Seasonally adjusted						
	2011				2012		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Composite Index</b>	125.0	125.6	126.5	127.7	129.0	130.5	132.1
Change from preceding month (%)	0.2	0.4	0.7	0.9	1.1	1.2	1.2
Annualized 6-month rate of change (%)	-0.6	0.2	1.4	3.1	4.8	6.7	8.4
Change from preceding month (point)	0.2	0.8	1.3	1.6	1.8	1.8	1.8
<b>Components</b>							
Index of export orders (2006=100)	130.6	135.2	137.0	137.4	139.9	137.2	137.9
Real monetary aggregates M1B (NT\$ billion)	10,912	10,872	10,885	10,926	10,872	11,040	11,021
Stock price index(1966=100)	7,385	7,345	7,275	6,969	7,177	7,856	8,020
Index of producer's Inventory for manufacturing*(2006=100)	122.7	125.2	124.3	123.3	126.1	125.5	125.4 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	8.3	8.0	8.0	8.0	8.1	8.1	8.1 <sub>p</sub>
Building Permits ** (1,000m2)	2,473	2,249	2,439	2,622	2,307	2,353	2,539
SEMI Book-to-Bill Ratio	0.71	0.74	0.83	0.85	0.96	1.01	1.13

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		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Composite Index</b>	128.9	128.3	127.9	127.6	127.5	127.4	127.5
Change from preceding month (%)	-0.6	-0.5	-0.3	-0.2	-0.1	-0.1	0.1
Trend adjusted index	99.6	98.5	97.5	96.6	95.9	95.2	94.7
Change from preceding month (%)	-1.2	-1.1	-1.0	-0.9	-0.7	-0.7	-0.6
<b>Components</b>							
Industrial production index(2006=100)	124.5	127.0	125.8	125.6	130.5	122.7	130.0
Electric power consumption (billion kWh)	11.17	11.50	11.85	11.17	12.54	10.22	12.00
Index of producer's shipment for manufacturing (2006=100)	125.6	125.5	125.3	122.8	124.9	121.1	122.4 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	109.4	107.5	106.1	106.1	105.1	109.8	107.4
Nonagricultural employment (1,000)	10,213	10,220	10,216	10,240	10,264	10,275	10,287
Real customs-cleared exports (NT\$ billion)	742.8	802.8	750.0	755.0	749.8	770.6	758.8
Real machineries and electrical equipments imports (NT\$ billion)	251.8	249.6	243.9	249.1	266.6	229.9	250.2

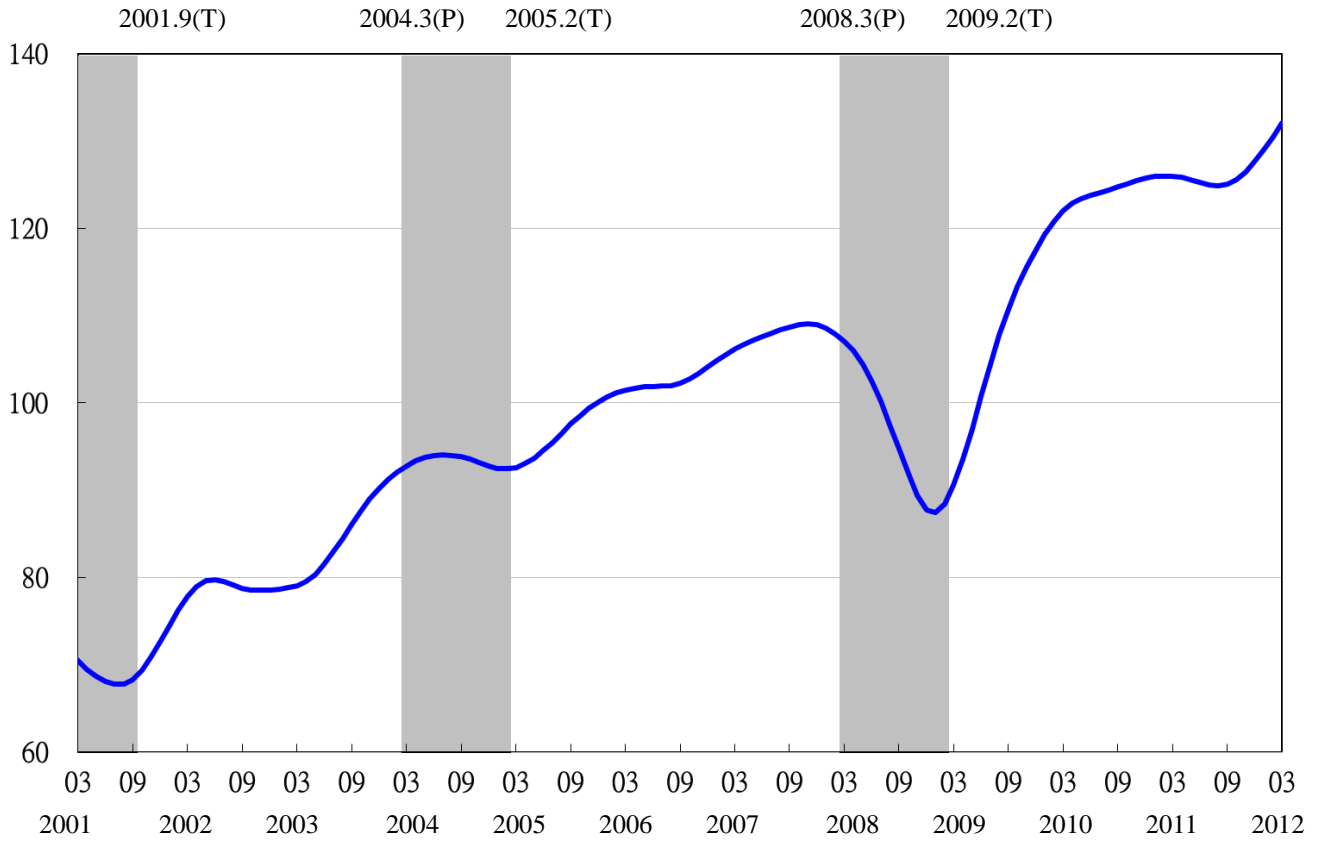
## Lagging Indicators

Seasonally adjusted

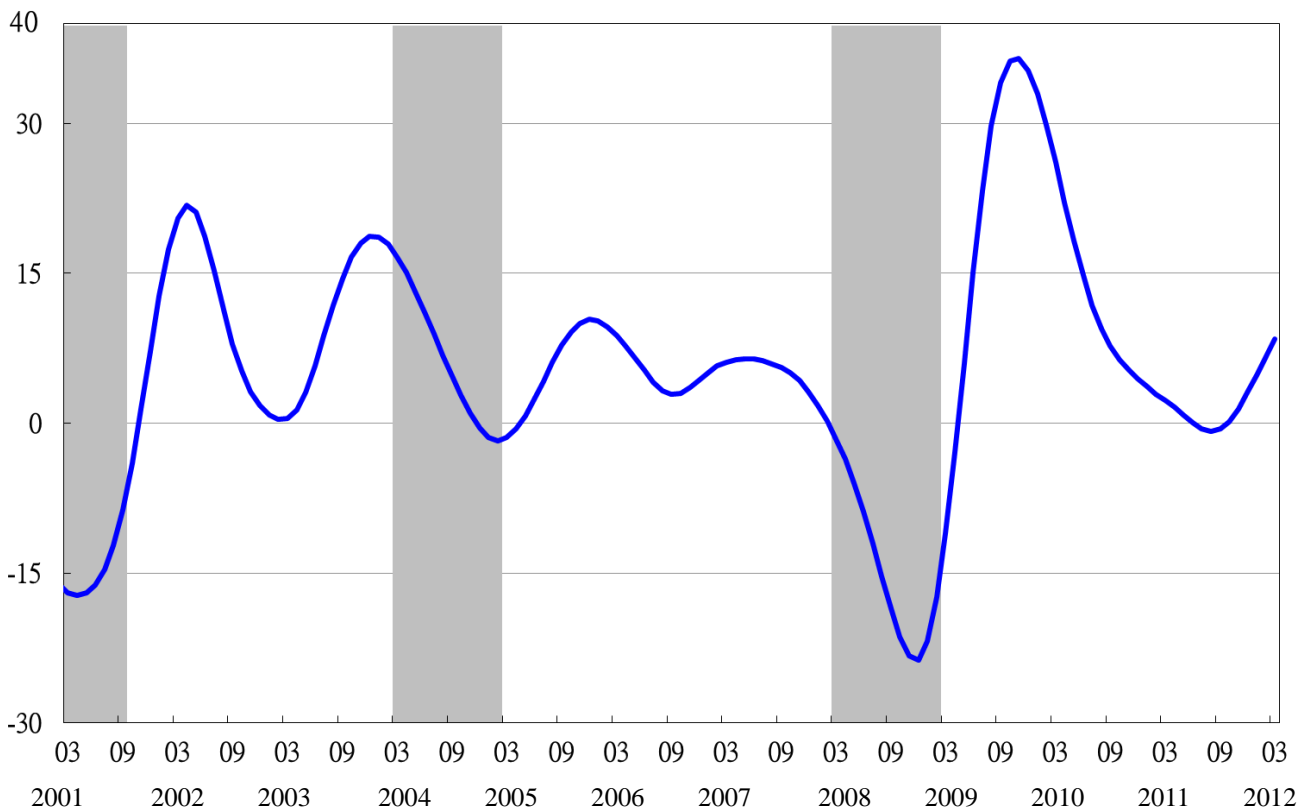
	2011				2012		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Composite Index</b>	135.9	137.0	137.8	138.5	138.8	139.0	139.2
Change from preceding month (%)	1.0	0.8	0.7	0.5	0.2	0.1	0.1
Trend adjusted index	104.9	105.1	105.1	104.9	104.5	103.9	103.4
Change from preceding month (%)	0.3	0.1	0.0	-0.2	-0.4	-0.5	-0.5
<b>Components</b>							
Unemployment rate* (%)	4.29	4.29	4.29	4.21	4.19	4.15	4.14
Regular employees on payrolls in industry & services (Thousand persons)	6,704	6,715	6,726	6,738	6,749	6,760	6,770 <sub>p</sub>
The manufacturing unit output labor cost index (index 2006=100)	82.2	80.6	82.6	86.4	81.5	78.5	81.5 <sub>p</sub>
Interbank overnight call-loan rate (percent per annum)	0.394	0.395	0.396	0.400	0.403	0.399	0.402
Loans and investments of monetary financial institutions (NT\$ billion)	23,961	24,059	24,127	24,132	24,244	24,344	24,480
Inventories to sales ratio for manufacturing (%)	65.7	66.9	66.8	67.8	66.5	64.4	63.7 <sub>p</sub>

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

## Composite Leading Index

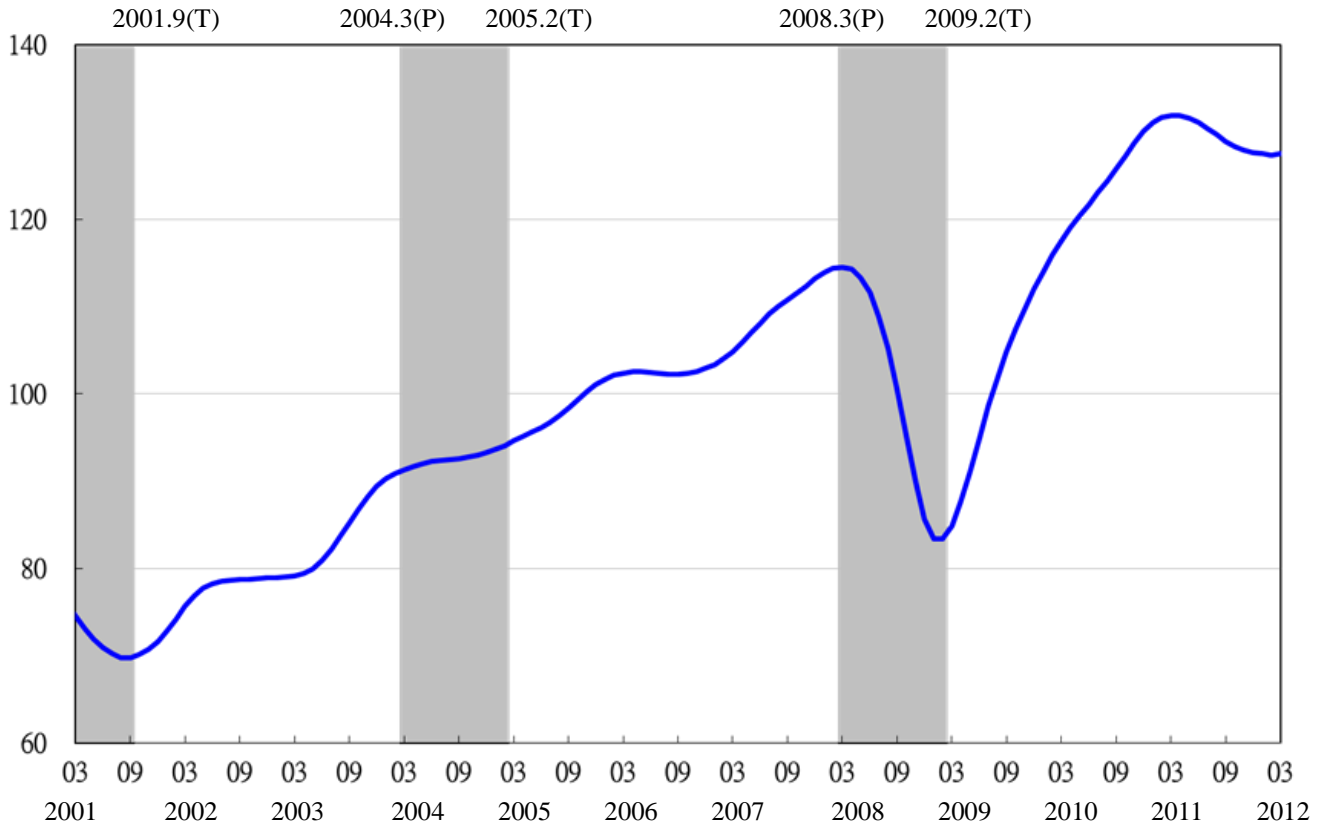


## Annualized 6-month rate of change of composite leading index

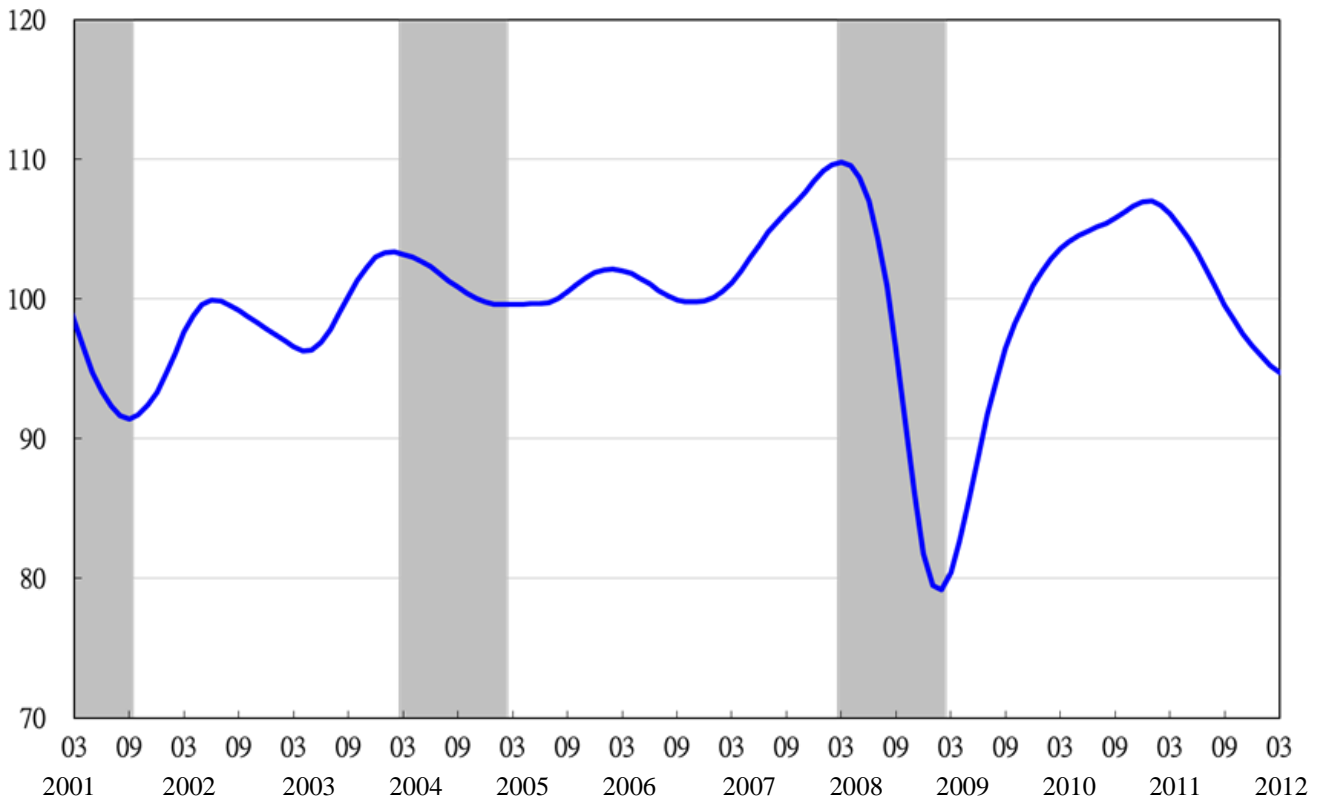


Shaded areas represent recessions.

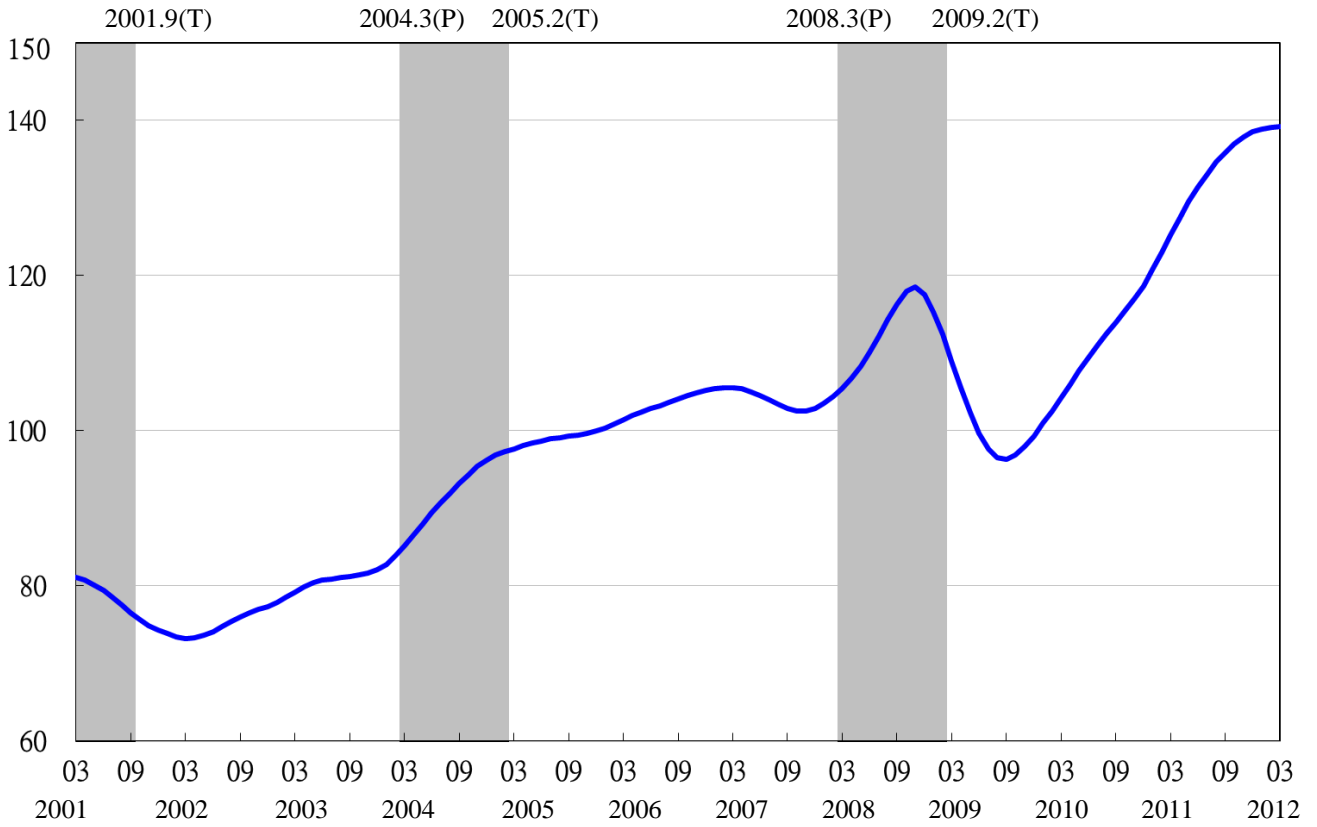
## Composite Coincident Index



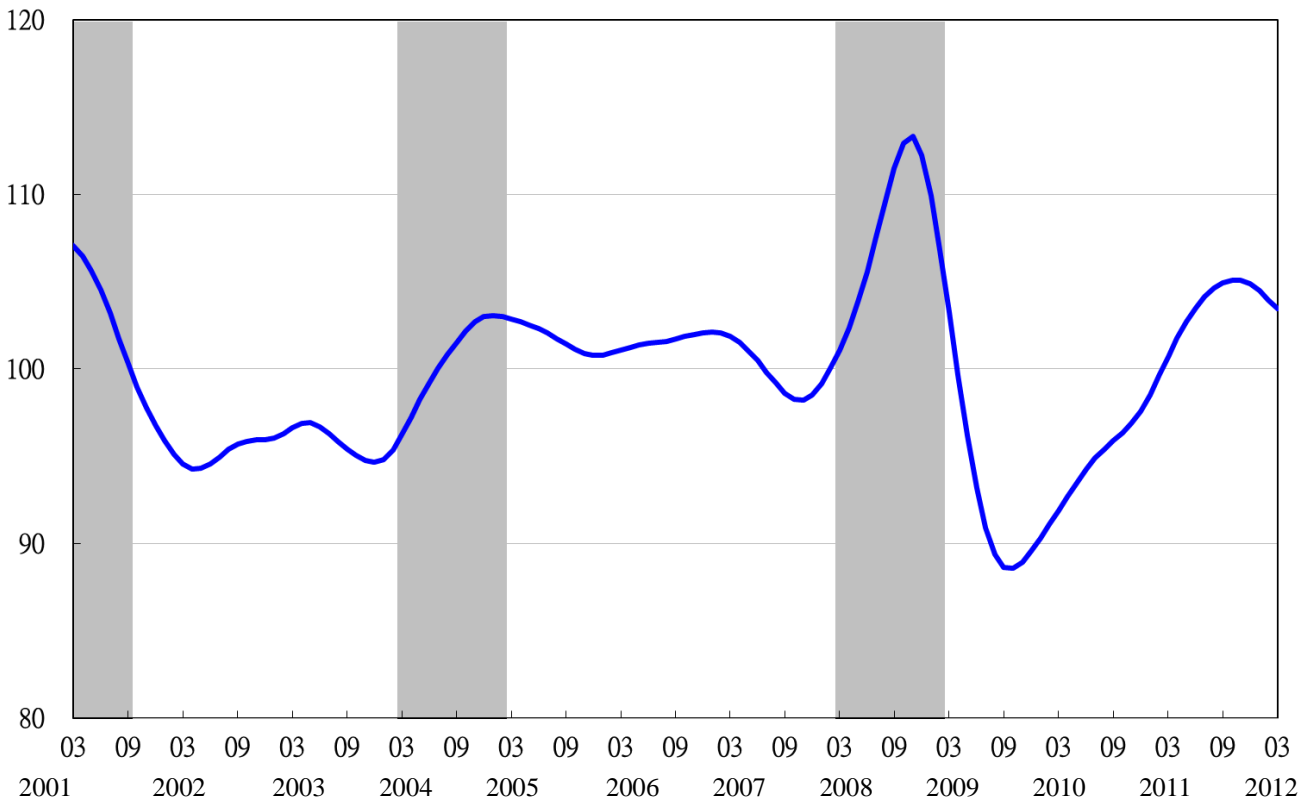
## Trend-adjusted composite coincident index



## Composite Lagging Index



## Trend-adjusted composite lagging index



# Monitoring Indicators

	2011												2012		
	2	3	4	5	6	7	8	9	10	11	12	1	2	3	
Total	Light														
	Score	34	31	29	27	25	23	20	21	19	16	14	13	15	14
Monetary Aggregates M1B															3.5
Direct and Indirect Finance															4.6
Stock Price Index															-6.5
Industrial Production Index															-4.2
Nonagricultural Employment															1.7
Customs-Cleared Exports															-4.1
Imports of Machineries and Electrical Equipments															-11.7
Manufacturing Sales															-10.1 <sub>p</sub>
Sales Index of Wholesale, Retail and Food Services															-2.4

● 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.