

Taiwan Business Indicators in March 2013

Press Release

Council for Economic Planning and Development

April 26, 2013

In March 2013, Taiwan Business Indicators showed the domestic economy 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 decreased by 0.2 points, the trend-adjusted coincident index decreased by 0.6% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 135.3, up by 0.4% from February 2013. Its annualized six-month rate of change decreased by 0.2 points to 6.3%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, stock price index, real monetary aggregates M1B, and average monthly overtime in industry and services had positive cyclical movements from previous month. Index of export orders, index of producer's inventory for manufacturing (inverted), and building permits had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 132.4, down by 0.3% from February 2013. Its trend-adjusted index decreased by 0.6% to 97.6. Among the seven indicators making up the trend-adjusted index, real machineries and electrical equipments imports had positive cyclical movements from previous month. Index of producer's shipment for manufacturing, industrial production index, electric power consumption, sales index of trade and food services, real customs-cleared exports, and nonagricultural employment had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 137.2, up by 0.7% from February 2013. Its trend-adjusted index increased by 0.3% to 101.2. Among the six indicators making up the trend-adjusted index, inventories to sales ratio for manufacturing, the manufacturing unit output labor cost index, loans and investments of monetary financial institutions had positive cyclical movements from previous month. Unemployment rate (inverted), regular employees on

payrolls in industry and services, and interbank overnight call-loan rate had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in March lost two points to 18, flashing the "yellow-blue" signal for the seventh consecutive month. Among the nine components, customs-cleared exports changed its individual light signal from "blue" to "yellow-blue", sales index of trade and food services changed its individual light signal from "yellow-blue" to "green", each gained one point. Industrial production index changed its individual light signal from "green" to "blue", lost two points, nonagricultural employment changed its individual light signal from "green" to "yellow-blue", manufacturing sales changed its individual light signal from "yellow-blue" to "blue", each lost one point. The light signals for the rest of four components remained unchanged.

~~ The next release is scheduled for May 27 2013 ~~

Leading Indicators

	Seasonally adjusted						
	2012				2013		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	130.4	131.3	132.4	133.4	134.2	134.8	135.3
Change from preceding month (%)	0.5	0.7	0.8	0.7	0.6	0.5	0.4
Annualized 6-month rate of change (%)	4.1	4.7	5.5	6.1	6.4	6.5	6.3
Change from preceding month (point)	0.4	0.7	0.8	0.6	0.4	0.0	-0.2
Components							
Index of export orders (2011=100)	104.8	104.3	111.5	112.0	106.8	102.8	99.5
Real monetary aggregates M1B (NT\$ billion)	11,716	11,795	11,865	11,945	11,994	11,964	12,197
Stock price index(1966=100)	7,610	7,438	7,256	7,631	7,759	7,933	7,907
Index of producer's Inventory for manufacturing*(2006=100)	131.3	132.1	131.5	133.0	133.7	135.2	136.8 _p
Average monthly overtime in industry and services (hours/month)	8.2	8.2	8.1	8.1	8.1	8.5	8.2 _p
Building Permits ** (1,000m ²)	2,263	2,468	2,661	2,235	2,692	2,838	2,290
SEMI Book-to-Bill Ratio	0.78	0.75	0.79	0.92	1.11	1.10	1.14

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		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	132.6	132.9	133.1	133.2	133.1	132.9	132.4
Change from preceding month (%)	0.3	0.3	0.1	0.0	0.0	-0.2	-0.3
Trend adjusted index	99.7	99.6	99.4	99.2	98.8	98.3	97.6
Change from preceding month (%)	0.0	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6
Components							
Industrial production index(2006=100)	131.3	131.9	132.3	131.2	132.1	131.4	128.0
Electric power consumption (billion kWh)	11.21	11.94	11.61	10.89	12.01	11.72	11.33
Index of producer's shipment for manufacturing (2006=100)	132.7	132.2	129.7	127.6	131.0	125.2	121.6 _p
Sales index of trade and food services (2006=100)	109.6	109.9	111.4	111.7	110.5	109.9	109.5
Nonagricultural employment (1,000)	10,340	10,352	10,356	10,373	10,381	10,401	10,407
Real customs-cleared exports (NT\$ billion)	821.3	776.6	759.7	787.8	776.2	754.9	778.7
Real machineries and electrical equipments imports* (NT\$ billion)	191.5	190.8	181.6	204.4	218.0	210.9	211.1

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.

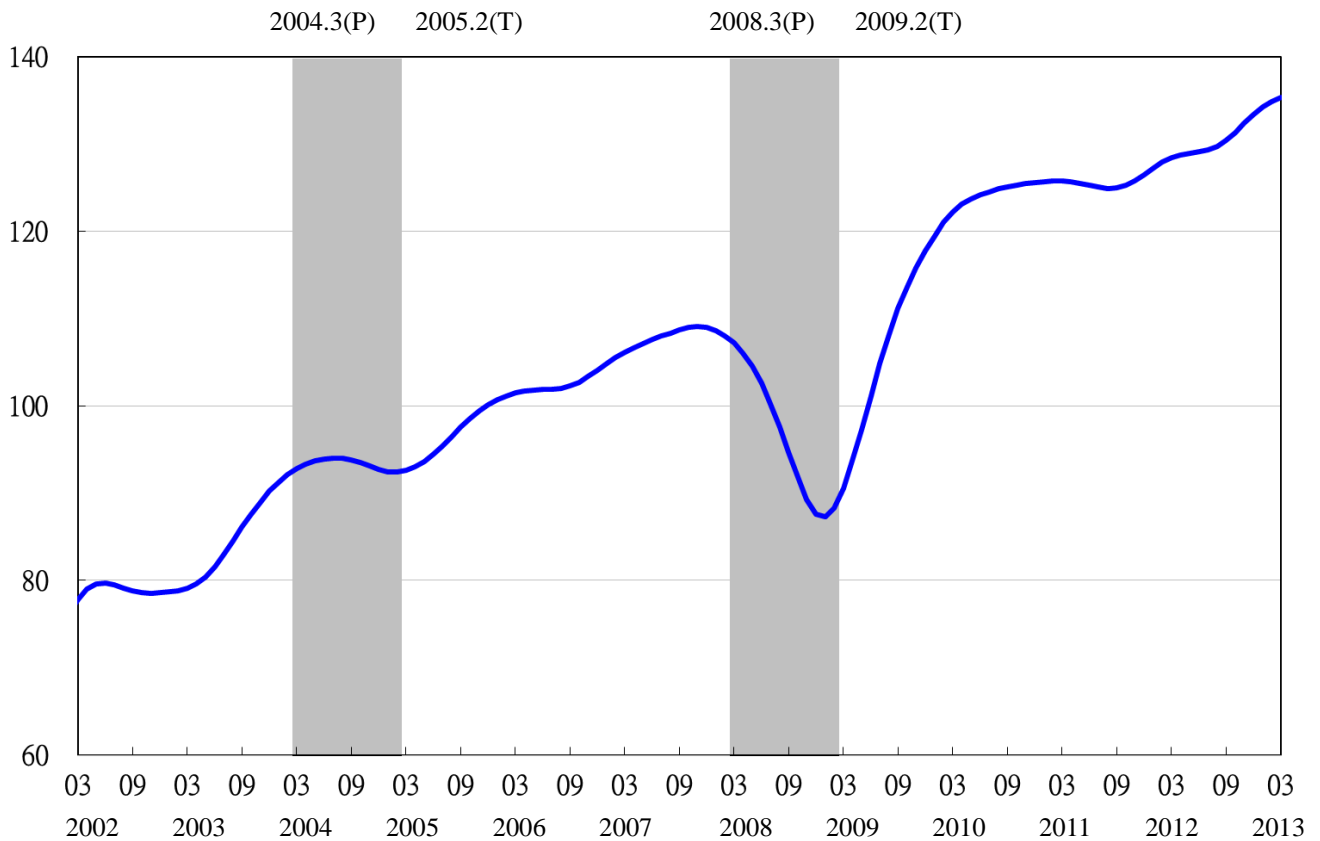
Lagging Indicators

Seasonally adjusted

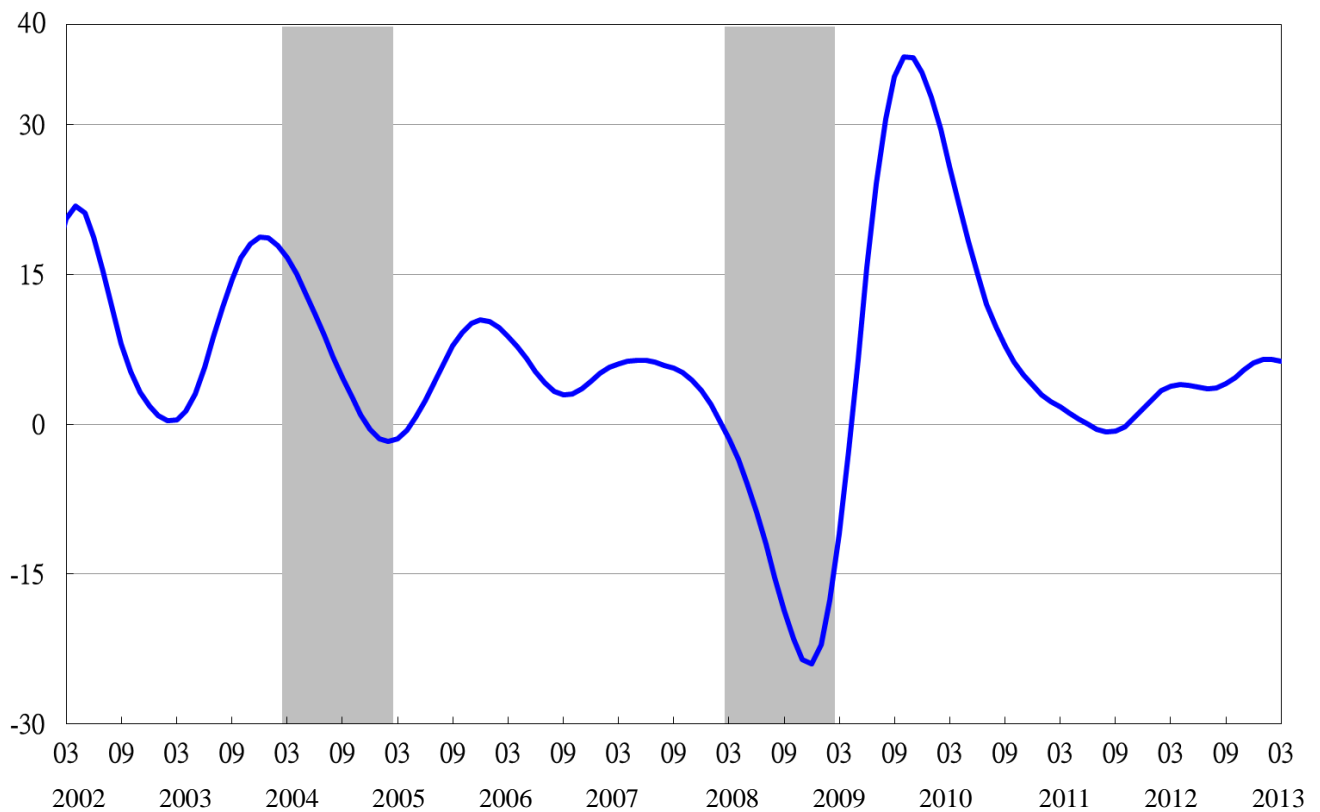
	2012				2013		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	133.8	134.0	134.3	134.8	135.4	136.3	137.2
Change from preceding month (%)	0.0	0.1	0.2	0.4	0.5	0.6	0.7
Trend adjusted index	100.6	100.4	100.3	100.4	100.5	100.8	101.2
Change from preceding month (%)	-0.3	-0.2	-0.1	0.1	0.2	0.3	0.3
Components							
Unemployment rate* (%)	4.28	4.28	4.24	4.21	4.20	4.16	4.18
Regular employees on payrolls in industry & services (Thousand persons)	6,767	6,774	6,784	6,795	6,804	6,819	6,822 _p
The manufacturing unit output labor cost index (index 2006=100)	84.7	81.2	81.6	85.4	78.9	85.4	83.9 _p
Interbank overnight call-loan rate (percent per annum)	0.389	0.388	0.386	0.388	0.387	0.387	0.387
Loans and investments of monetary financial institutions (NT\$ billion)	25,080	25,248	25,339	25,507	25,602	25,724	25,945
Inventories to sales ratio for manufacturing (%)	67.3	68.0	67.8	68.8	68.7	70.7	73.2 _p

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

Composite Leading Index

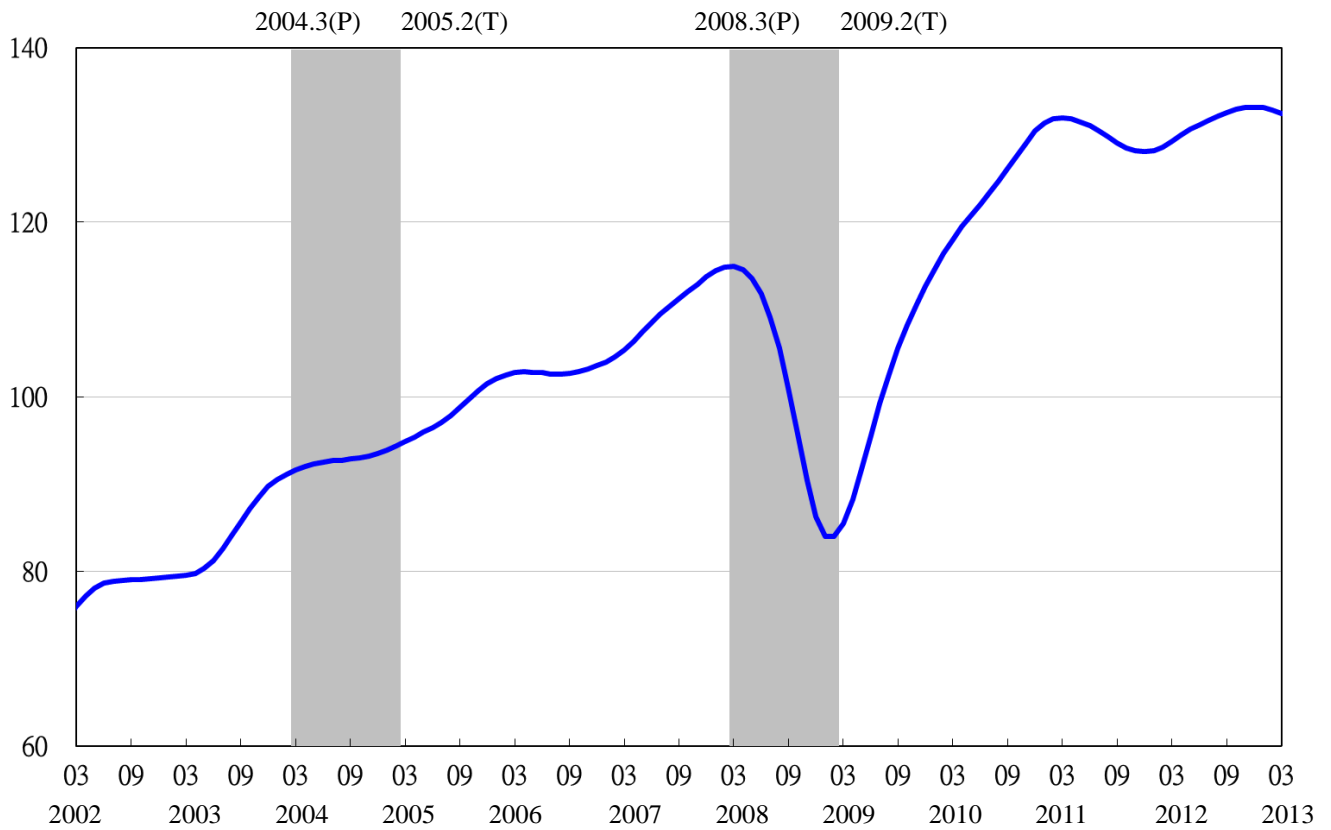


Annualized 6-month rate of change of composite leading index

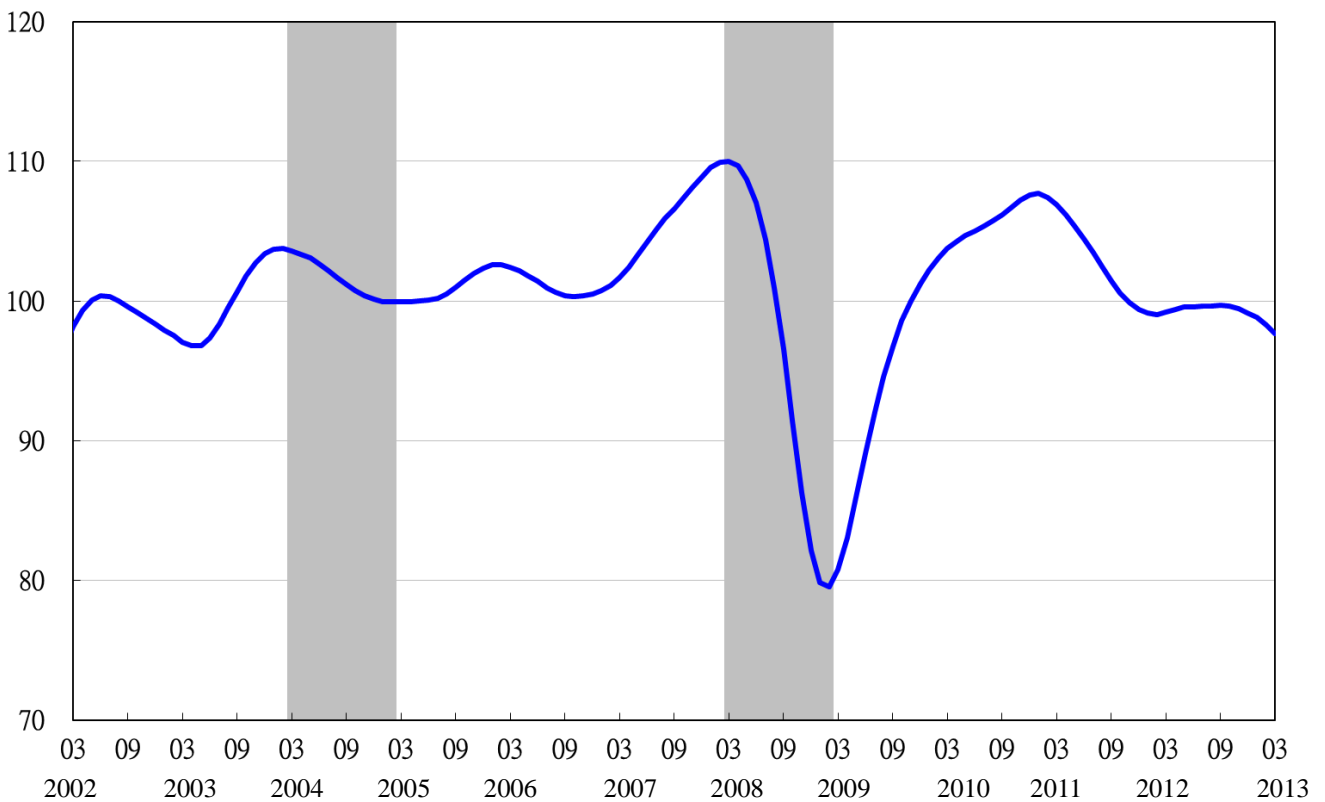


Shaded areas represent recessions.

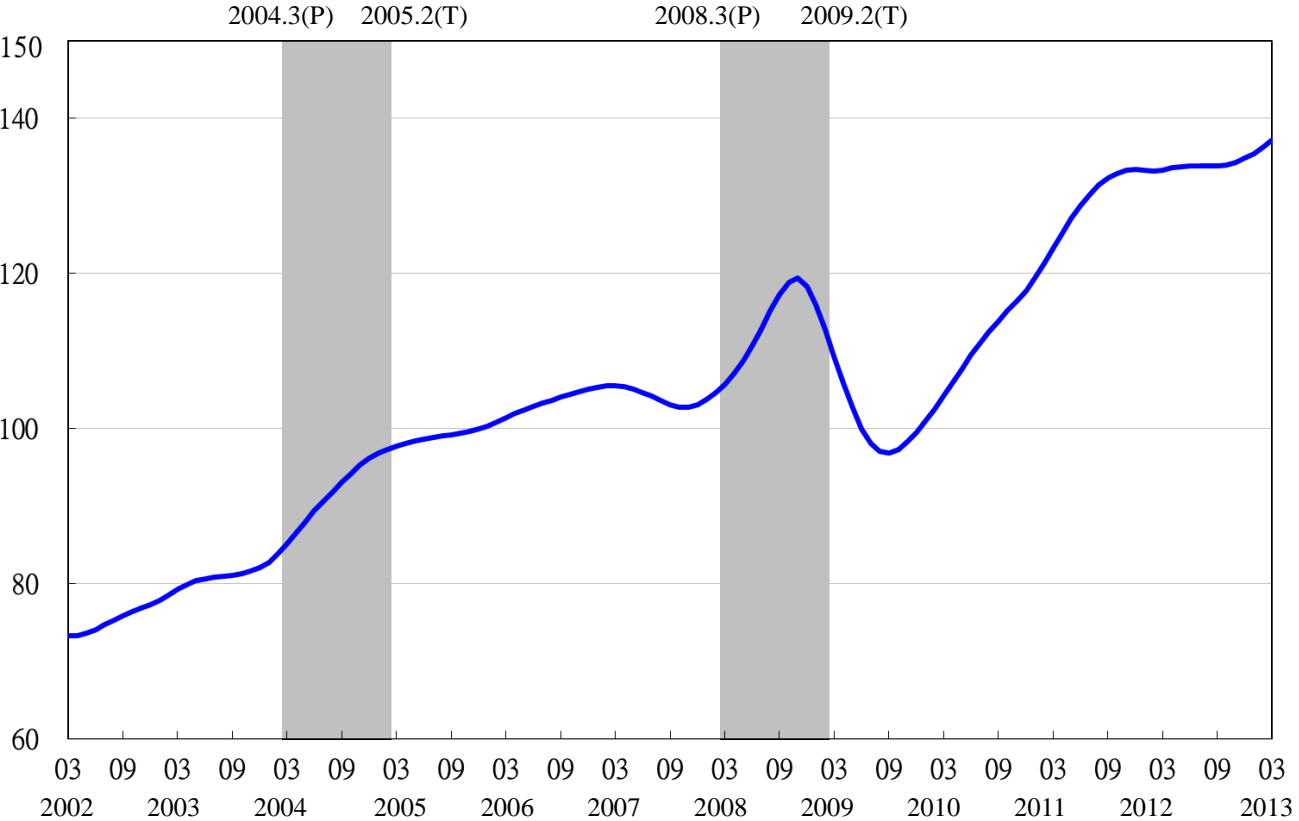
Composite Coincident Index



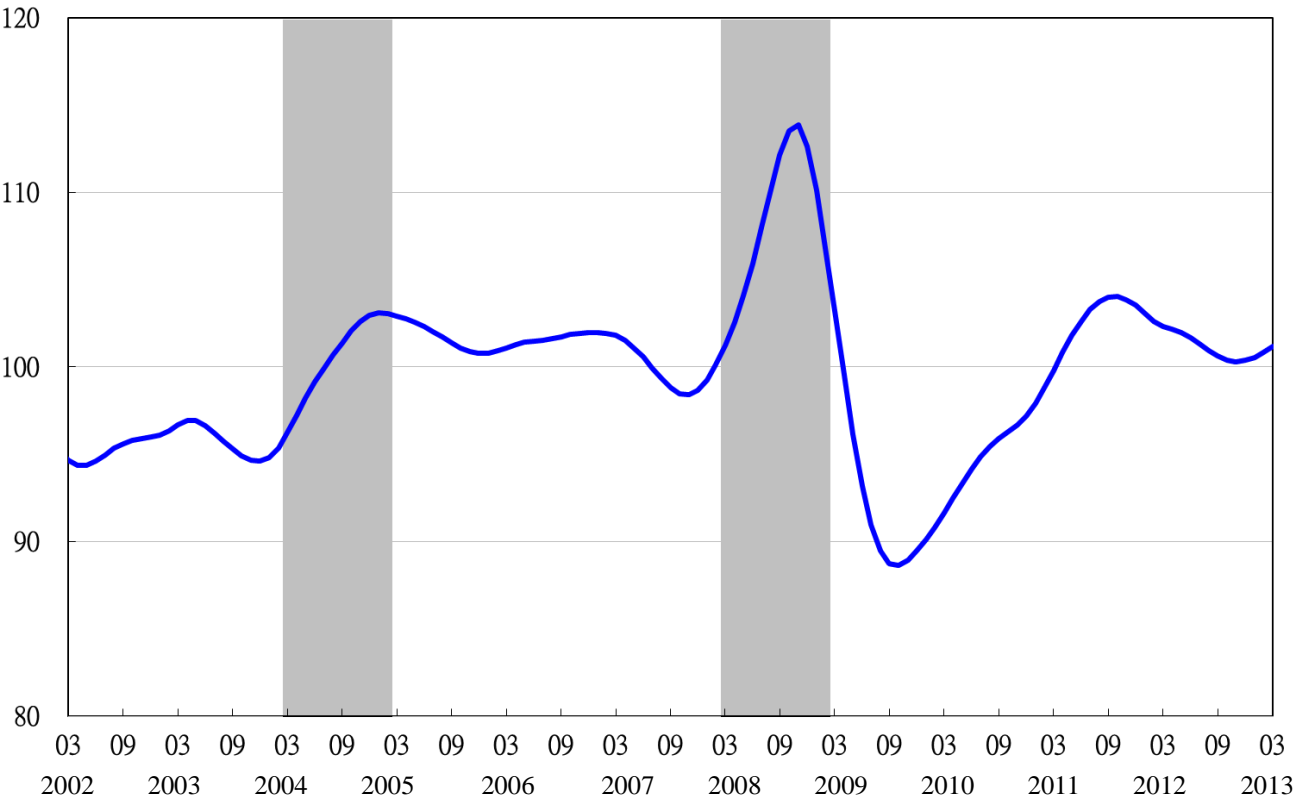
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		101(2012)										102(2013)				
		2	3	4	5	6	7	8	9	10	11	12	1	2	3	
Total	Light															
	Score	15	14	14	15	15	16	15	20	19	21	22	19	20	18	
Monetary Aggregates M1B															5.7	
Direct and Indirect Finance															4.6	
Stock Price Index															-1.4	
Industrial Production Index																-1.9
Nonagricultural Employment																1.195
Customs-Cleared Exports																3.0
Imports of Machineries and Electrical Equipments																5.8
Manufacturing Sales																-6.9 _p
Sales Index of Trade and Food Services																2.04

● 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.