

Taiwan Business Indicators in March 2015

Press Release

National Development Council (NDC)

April 27, 2015

In March 2015, the Taiwan Business Indicators showed that the domestic economy was still on a moderate growth path, but risks increasing. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.47%, the trend-adjusted coincident index decreased by 0.32% from the previous month, and the overall monitoring indicator flashed the " yellow-blue " signal.

1. The Monitoring Indicators: Total scores in March 2015 decreased by three points to 21, flashing the "yellow-blue" signal for the first month. Among the nine components, the nonagricultural employment gained one point to change its individual light from "yellow-blue" to "green", while the TAIEX average closing price changed its individual light from " yellow-red" to "green", the customs-cleared exports changed its individual light from "yellow-blue" to "blue", each lost one point, and the imports of machineries and electrical equipments lost two points to change its individual light form "yellow-red" to "yellow-blue". The light signal for the rest of five components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 98.62, down by 0.47% from February 2015. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, and TAIEX average closing price had positive cyclical movements from the previous month, while the index of export orders, building permits, net accession rate of employees on payrolls of industry and services, the TIER manufacturing sector composite indicator , and real monetary aggregates M1B had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 100.08, down by 0.32% from February 2015. Among the seven indicators making up the trend-adjusted index, nonagricultural employment and electric power consumption had positive cyclical movements from the previous month, while real

machineries electrical equipments imports, real customs-cleared exports, sales of trade and food services, the index of producer's shipment for manufacturing, and the industrial production index had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 101.81, up by 0.66% from February 2015. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, the inventories to sales ratio for manufacturing, the unemployment rate (inverted), regular employees on payrolls in industry and services, and loans and investments of monetary financial institutions had positive cyclical movements from the previous month, while the interbank overnight call-loan rate had negative cyclical movement.

~~ The next release is scheduled for May 27 2015 ~~

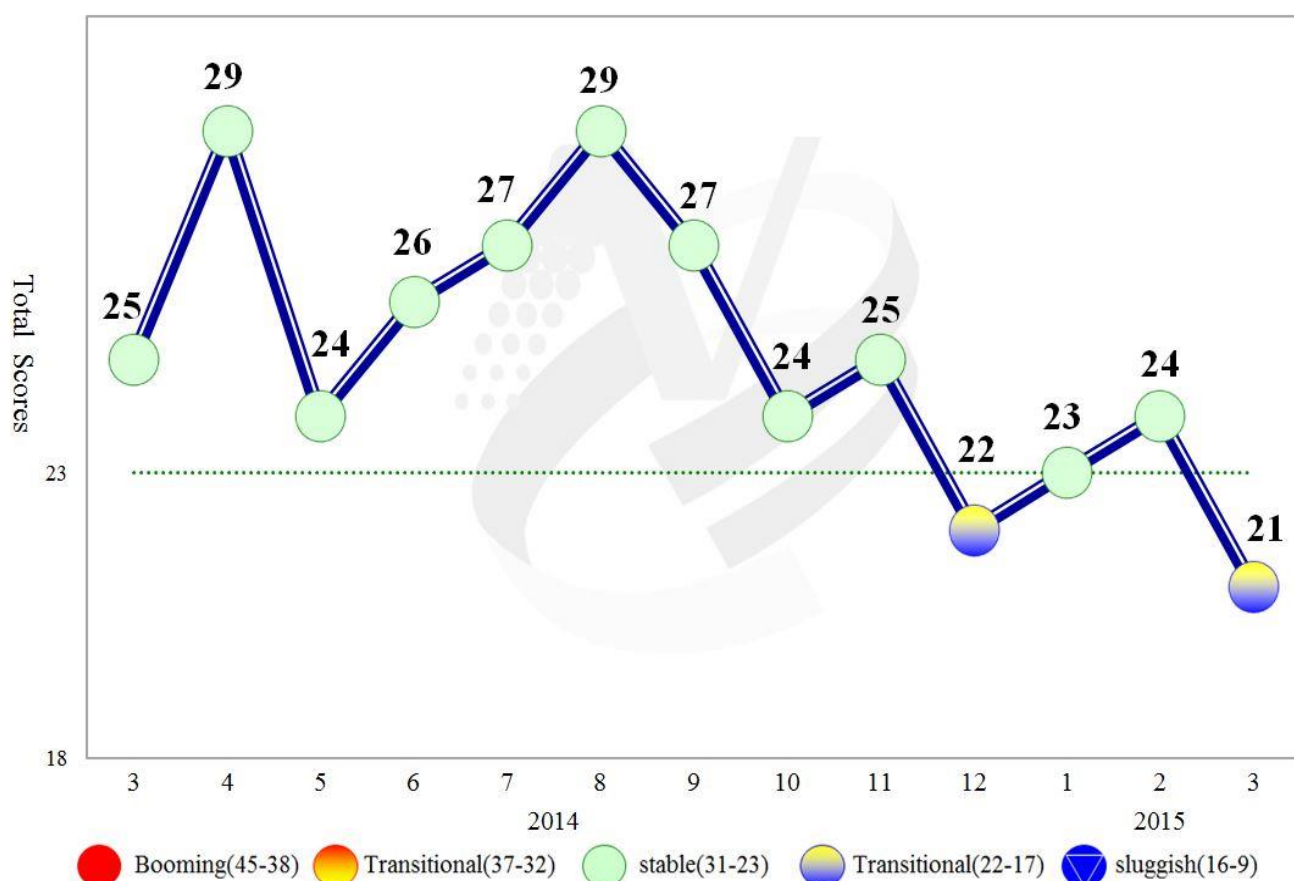


Figure 1 Total Scores in the Past Year

		2014										2015		
		3	4	5	6	7	8	9	10	11	12	1	2	3
Total	Light													
	Score	25	29	24	26	27	29	27	24	25	22	23	24	21
Monetary Aggregates M1B													5.8	
TAIEX Average Closing Price													11.9	
Industrial Production Index													5.2 _r	
Nonagricultural Employment													1.0	
Customs-Cleared Exports													0.2 _r	
Imports of Machineries and Electrical Equipments													16.3 _r	
Index of producer's shipment for manufacturing													0.9 _r	
Sales of Trade and Food Services													1.5	
The TIER Manufacturing Sector Composite Indicator													98.3 _r	

Notes : 1. Individual Componenets and check points are in terms of percentage changes over a one-year span, except the TIER Manufacturing Composite Indicator, which is in point (2006=100).

2. All components, except TAIEX average closing price, have been seasonally adjusted.

3. p = Preliminarily estimated, r = Revised.

Figure 2 Monitoring Indicators

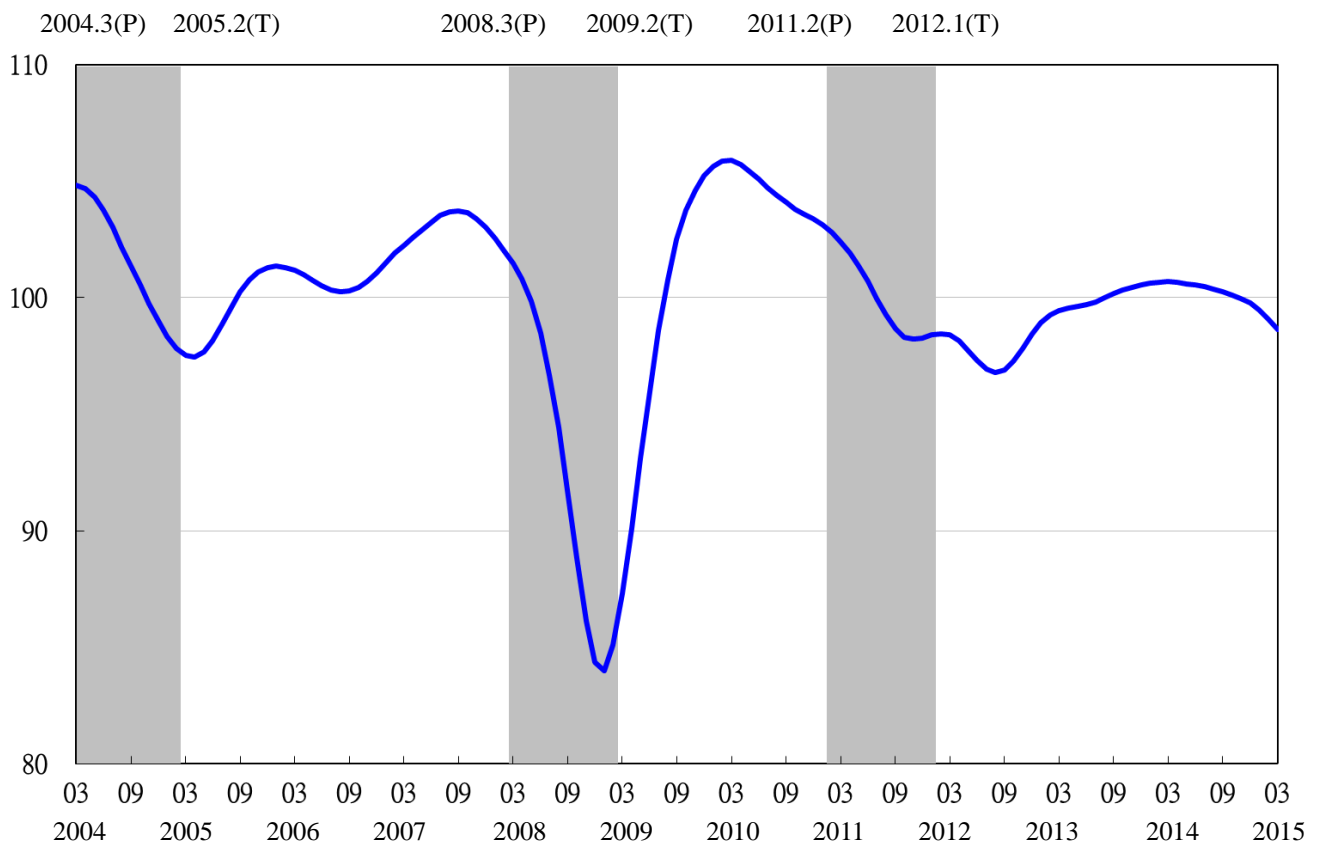
Table 1 Leading Indicators

	Index						
	2014				2015		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Trend adjusted index	100.26	100.12	99.97	99.77	99.48	99.08	98.62
Change from preceding month (%)	-0.12	-0.14	-0.15	-0.20	-0.29	-0.40	-0.47
Components¹							
Index of export orders	101.00	101.31	101.39	101.20	100.74	100.11	99.40
Real monetary aggregates M1B	100.03	100.07	100.13	100.17	100.20	100.21	100.21
TAIEX average closing price	100.18	100.11	100.08	100.07	100.09	100.13	100.17
Net accession rate of employees on payrolls of industry and services ²	100.04	100.02	100.00	99.99	99.97	99.94	99.88
Building permits ³	99.73	99.58	99.45	99.30	99.13	98.92	98.68
SEMI Book-to-Bill Ratio	99.71	99.64	99.65	99.73	99.86	100.03	100.22
The TIER manufacturing sector composite indicator	100.13	99.84	99.63	99.53	99.49	99.48	99.47

Note : 1.All components are passed through seasonal adjustment, trend-removal, smoothing and normalization.

2. Net accession rate is equal to accession rate minus separation rate.

3. Including only housing, mercantile, business and service, industry warehousing.



Note: Shaded areas represent recessions.

Figure 3 Trend-adjusted Leading Index

Table 2 Coincident Indicators

	Index							
	2014				2015			
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Trend adjusted index	101.33	101.34	101.26	101.03	100.72	100.41	100.08	
Change from preceding month (%)	0.10	0.02	-0.09	-0.22	-0.30	-0.32	-0.32	
Components								
Industrial production index	100.55	100.61	100.62	100.59	100.52	100.46	100.40	
Electric power consumption	100.33	100.27	100.12	99.92	99.76	99.69	99.70	
Index of producer's shipment for manufacturing	100.40	100.39	100.37	100.33	100.29	100.23	100.16	
Sales of trade and food services	100.16	100.13	100.08	99.99	99.85	99.68	99.50	
Nonagricultural employment	99.60	99.65	99.72	99.81	99.94	100.10	100.28	
Real customs-cleared exports	100.36	100.32	100.24	100.12	99.96	99.74	99.48	
Real machineries and electrical equipments imports	100.52	100.59	100.62	100.53	100.32	100.06	99.73	

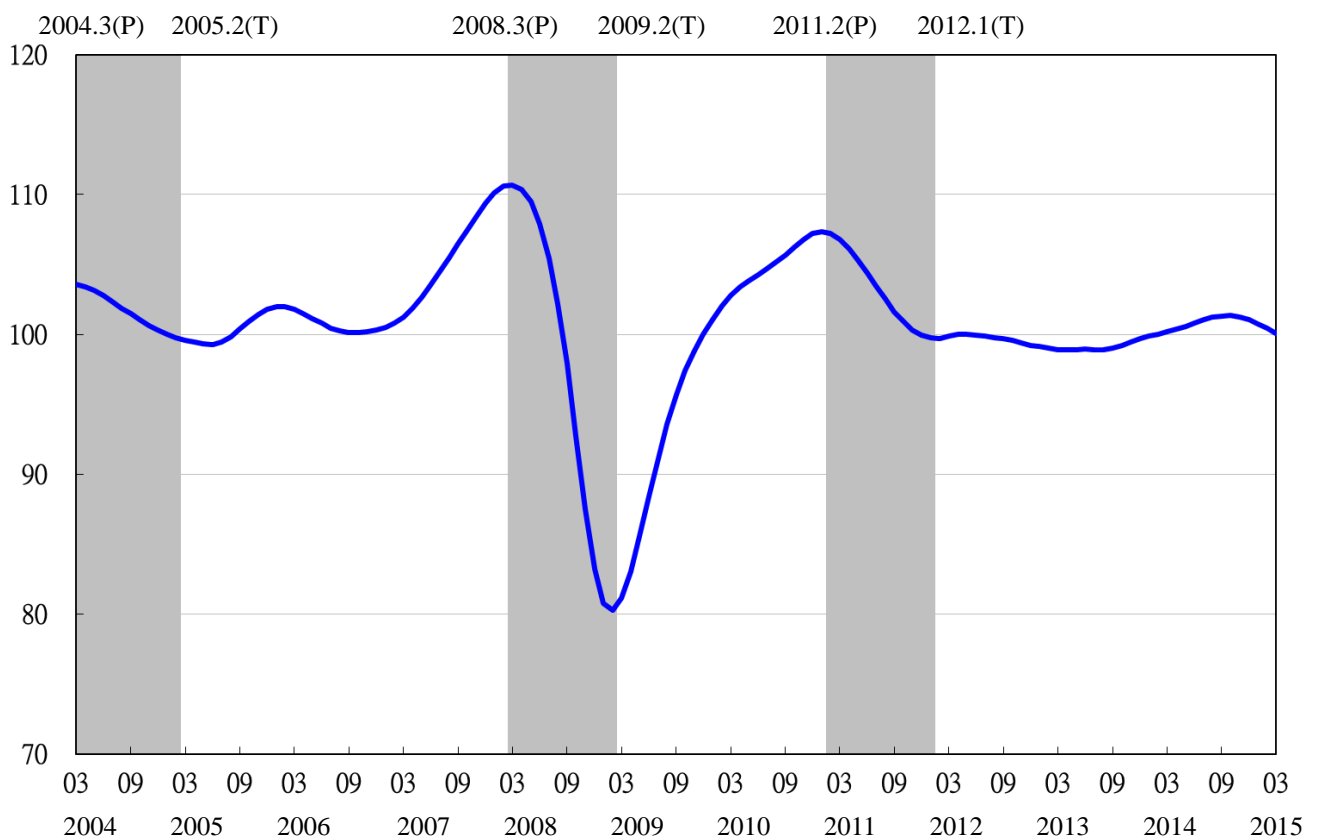
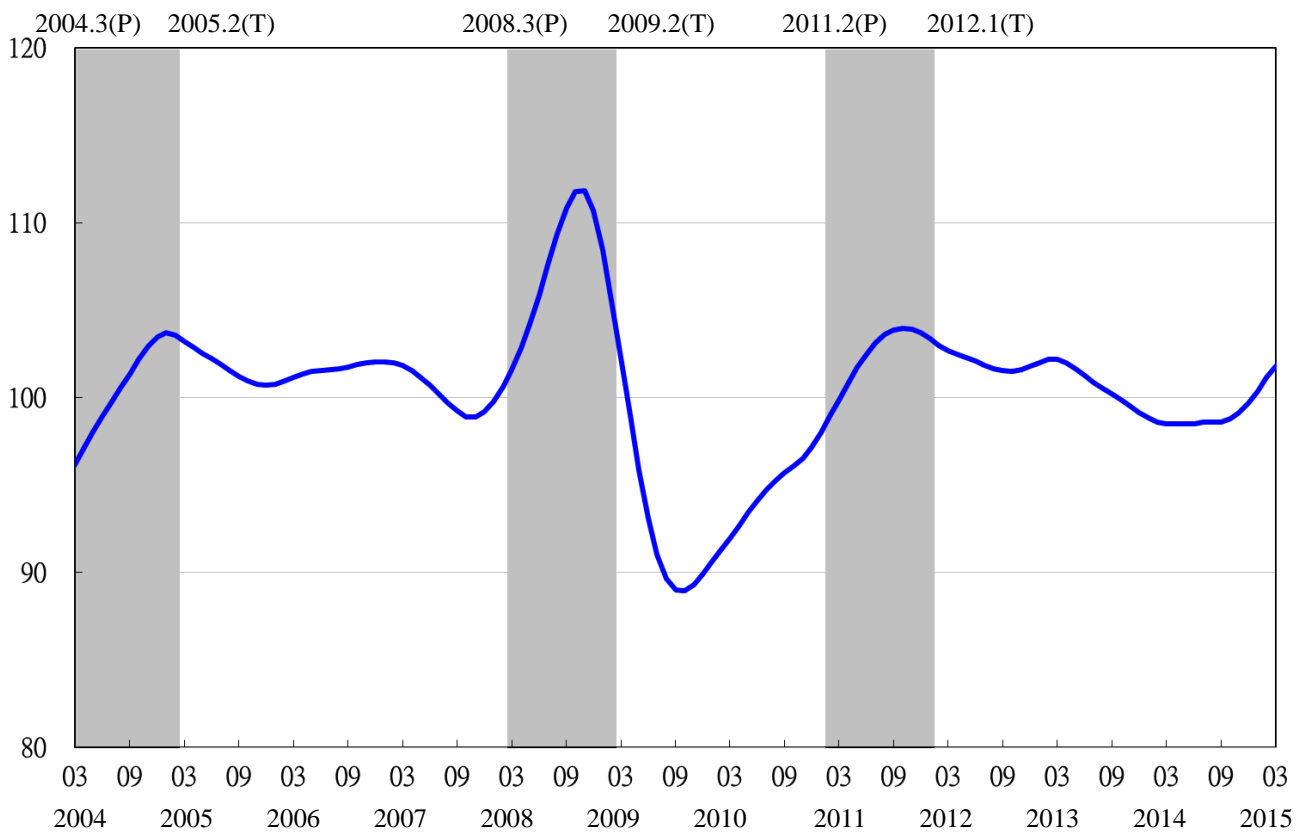


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2014				2015		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Trend adjusted index	98.60	98.79	99.15	99.66	100.38	101.15	101.81
Change from preceding month (%)	0.01	0.19	0.36	0.52	0.72	0.77	0.66
Components							
Unemployment rate	99.89	99.94	99.99	100.05	100.12	100.18	100.23
Regular employees on payrolls in industry & services	99.91	99.94	99.97	99.99	100.00	100.02	100.03
The manufacturing unit output labor cost index	99.15	99.08	99.20	99.51	100.08	100.73	101.28
Interbank overnight call-loan rate	99.97	99.97	99.96	99.96	99.96	99.953	99.950
Loans and investments of monetary financial institutions	99.93	99.89	99.85	99.82	99.81	99.81	99.82
Inventories to sales ratio for manufacturing	99.52	99.77	100.04	100.28	100.48	100.65	100.81

**Figure 5 Trend-adjusted Lagging Index**