

Taiwan Business Indicators in November 2013

Press Release

Council for Economic Planning and Development, Executive Yuan

December 27, 2013

In November 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 trend-adjusted leading index increased by 0.19%, the trend-adjusted coincident index increased by 0.07% 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 103.58, up by 0.29% from October 2013. Its trend-adjusted index increased by 0.19% to 101.20. Among the seven indicators making up the trend-adjusted index, the index of export orders, net accession rate of employees on payrolls of industry and services, SEMI book-to-bill ratio, real monetary aggregates M1B, and TAIEX average closing price had positive cyclical movements from the previous month, while building permits and the TIER manufacturing sector composite indicator had negative cyclical movements.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.58, up by 0.17% from October 2013. Its trend-adjusted index increased by 0.07% to 99.24. Among the seven indicators making up the trend-adjusted index, sales of trade and food services, the index of producer's shipment for manufacturing, and the industrial production index had positive cyclical movements from the previous month, while real customs-cleared exports, electric power consumption, real machineries and electrical equipments imports, and nonagricultural employment had negative cyclical movements.
3. **Lagging Indicators:** With revised data, the lagging index stood at 100.51, down by 0.22% from October 2013. Its trend-adjusted index decreased by 0.32% to 98.20. All six indicators making up the trend-adjusted index had negative cyclical movements from previous month, which were the inventories to sales ratio for manufacturing, the manufacturing unit output labor cost index, 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.

4. The Monitoring Indicators: The total score in November increased by one point to 21, flashing the “yellow-blue” signal for the fifth month. Among the nine components, the index of producer’s shipment for manufacturing gained one point to change 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 January 27 2014 ~~

Table 1 Leading Indicators

	Seasonally adjusted						
	2013						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	101.83	101.99	102.25	102.59	102.95	103.28	103.58
Change from preceding month (%)	0.17	0.16	0.25	0.34	0.35	0.32	0.29
Trend adjusted index	100.09	100.15	100.30	100.53	100.78	101.01	101.20
Change from preceding month (%)	0.06	0.05	0.15	0.23	0.25	0.22	0.19
Components							
Index of export orders (2011=100)	102.9	102.9	103.4	105.6	107.8	109.1	112.6
Real monetary aggregates M1B (NT\$ billion)	12,418	12,541	12,642	12,659	12,654	12,748	12,860
TAIEX average closing price (1966=100)*	8,272	7,989	8,102	7,932	8,193	8,366	8,237
Net accession rate of employees on payrolls of industry and services ** (%)	0.09	0.02	-0.02	0.14	0.19	0.14	0.27 _p
Building permits *** (1,000m ²)	3,115	2,309	2,956	3,329	3,509	3,295	2,276
SEMI Book-to-Bill Ratio	1.08	1.10	1.00	0.98	0.97	1.05	1.11
The TIER manufacturing sector composite indicator (2006=100)	99.47	97.51	98.40	98.78	97.99	96.20	95.86

Note : 1. p = Preliminarily estimated.

2. * TAIEX average closing price is not seasonally adjusted.

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

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

Table 2 Coincident Indicators

Seasonally adjusted

	2013						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	100.89	101.00	101.05	101.12	101.25	101.41	101.58
Change from preceding month (%)	0.12	0.11	0.05	0.07	0.13	0.15	0.17
Trend adjusted index	99.17	99.17	99.12	99.10	99.12	99.17	99.24
Change from preceding month (%)	0.01	0.00	-0.05	-0.03	0.03	0.05	0.07
Components							
Industrial production index (2011=100)	99.0	99.7	100.5	100.3	100.5	100.8	101.9
Electric power consumption (billion kWh)	11.90	12.28	11.81	11.92	11.94	11.82	11.92
Index of producer's shipment for manufacturing (2011=100)	98.0	97.6	97.1	99.4	98.0	99.3	99.6 _p
Sales of trade and food services (NT\$ billion)	1,183	1,180	1,178	1,177	1,187	1,195	1,211
Nonagricultural employment (thousand persons)	10,409	10,418	10,417	10,423	10,440	10,453	10,464
Real customs-cleared exports (NT\$ billion)	785.8	804.8	770.7	781.5	777.3	775.1	758.4
Real machineries and electrical equipments imports (NT\$ billion)	214.7	216.9	207.0	190.8	215.8	207.5	204.4

Table 3 Lagging Indicators

Seasonally adjusted

	2013						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	102.31	101.95	101.59	101.25	100.95	100.73	100.51
Change from preceding month (%)	-0.29	-0.35	-0.36	-0.34	-0.29	-0.22	-0.22
Trend adjusted index	100.56	100.11	99.65	99.21	98.83	98.51	98.20
Change from preceding month (%)	-0.39	-0.45	-0.46	-0.44	-0.39	-0.32	-0.32
Components							
Unemployment rate* (%)	4.19	4.17	4.18	4.19	4.18	4.17	4.15
Regular employees on payrolls in industry & services (thousand persons)	6,835	6,841	6,847	6,855	6,864	6,875	6,886 _p
The manufacturing unit output labor cost index (2006=100)	84.4	84.0	83.7	84.5	81.9	85.4	83.8 _p
Interbank overnight call-loan rate** (percent per annum)	0.386	0.386	0.386	0.386	0.386	0.387	0.386
Loans and investments of monetary financial institutions (NT\$ billion)	25,979	26,160	26,349	26,423	26,547	26,640	26,776
Inventories to sales ratio for manufacturing (%)	67.2	67.3	68.5	66.3	67.4	66.5	66.8 _p

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

** Interbank overnight call-loan rate is not seasonally adjusted.

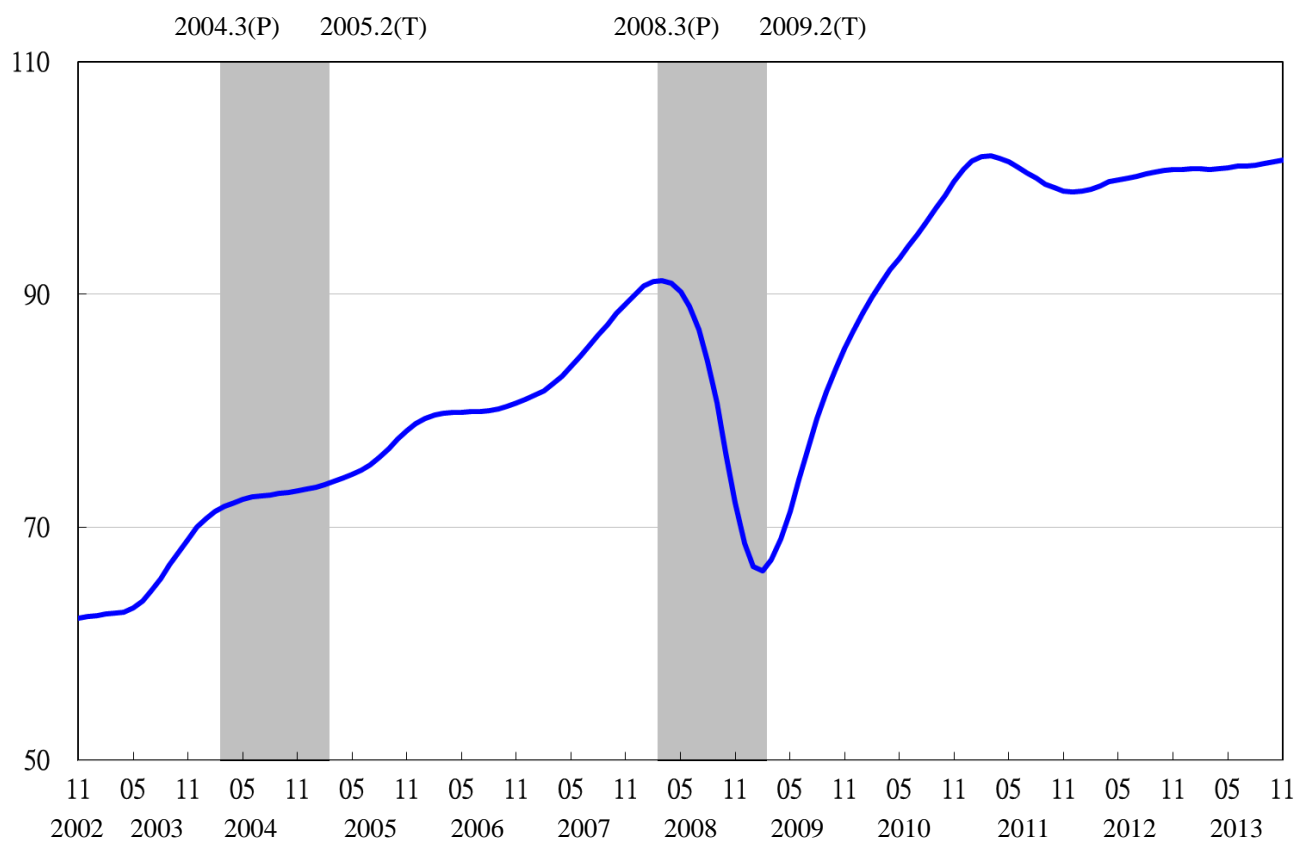


Figure 3 Composite Coincident Index

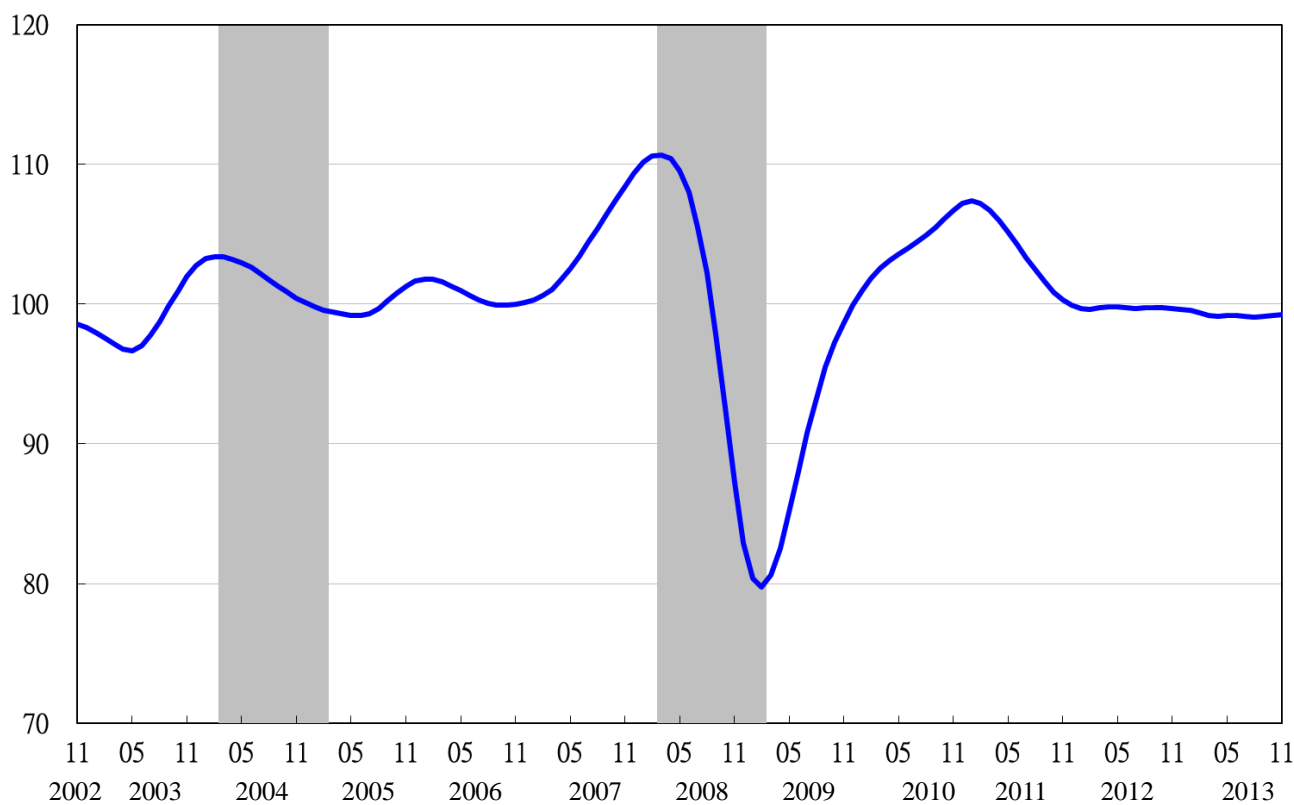


Figure 4 Trend-adjusted Composite Coincident Index

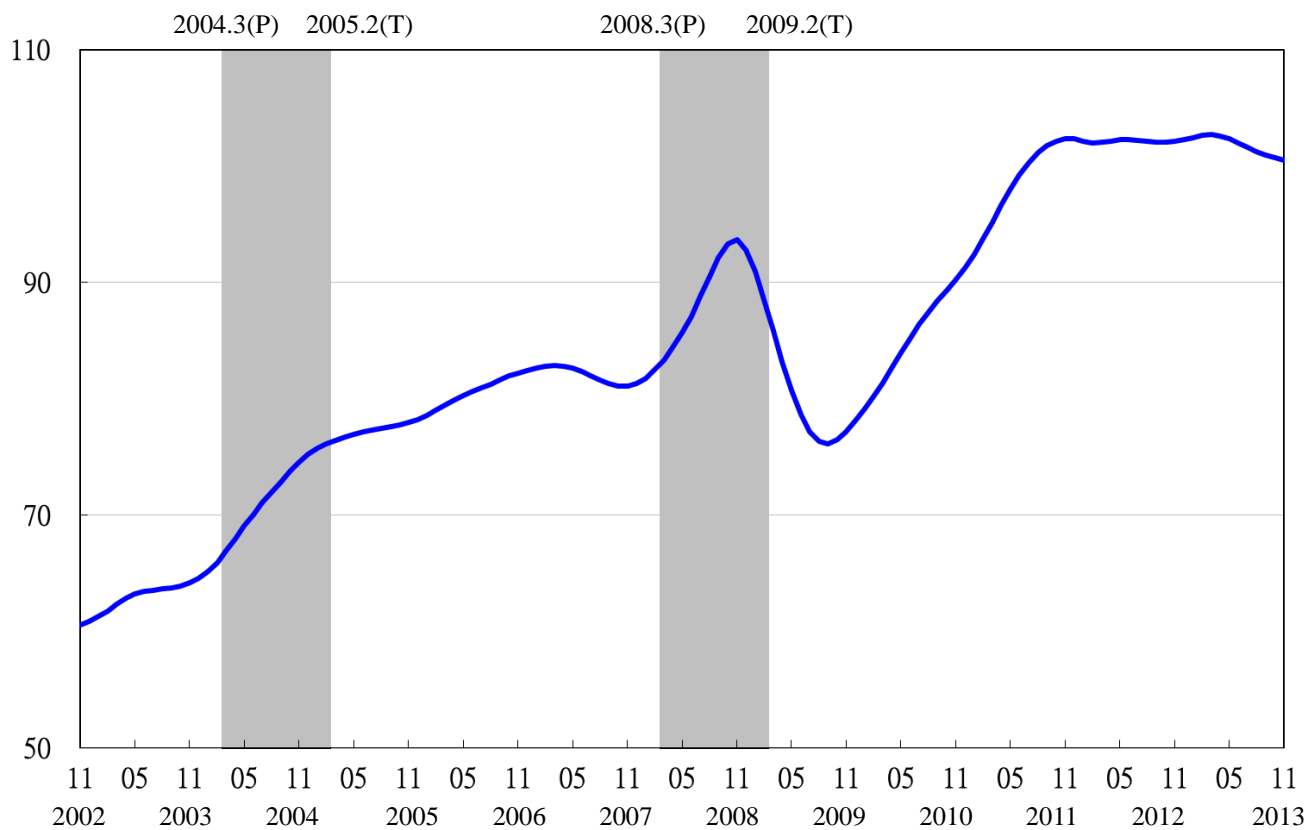


Figure 5 Composite Lagging Index

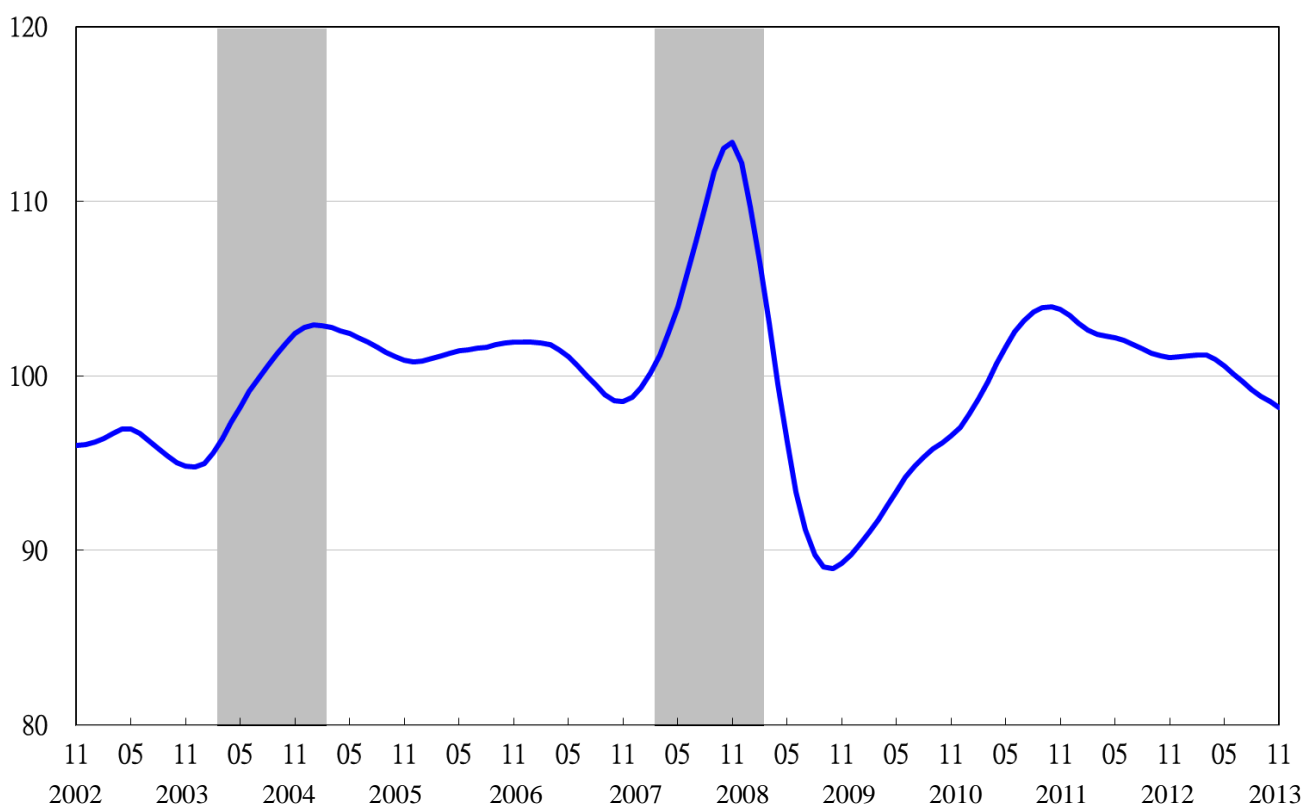


Figure 6 Trend-adjusted Composite Lagging Index

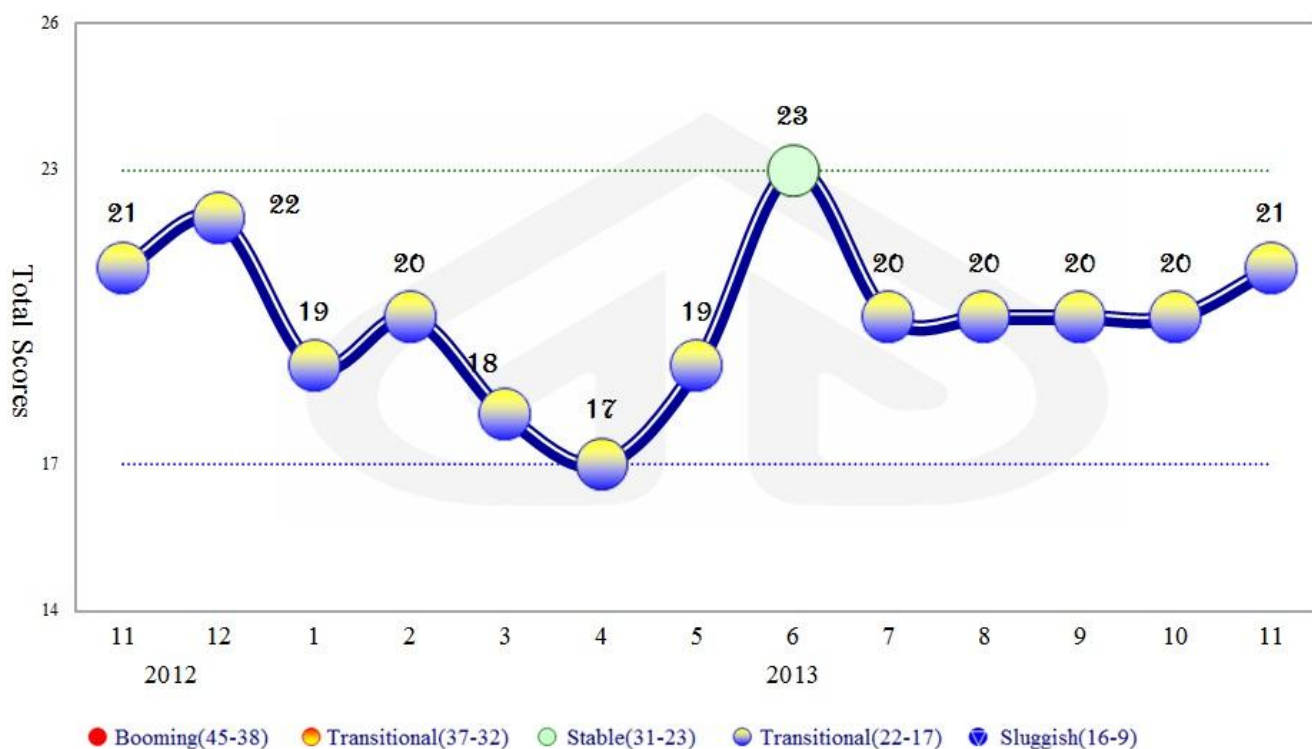


Figure 7 Total Scores in the Past Year

	Month	2012		2013																	
		11	12	1	2	3	4	5	6	New Series beginning in July 2013*					7	8	9	10		11	
Total	Light									New Series beginning in July 2013*											
	Score	21	22	19	20	18	17	19	23						20	20	20	20		21	
Monetary Aggregates M1B										Monetary Aggregates M1B									8.6		8.9
Direct and Indirect Finance										—————					—————						
TAIEX average closing price										TAIEX Average Closing Price									12.5		13.5
Industrial Production Index										Industrial Production Index									0.1 _r		0.2
Nonagricultural Employment										Nonagricultural Employment									1.0		1.0
Customs-Cleared Exports										Customs-Cleared Exports									-0.2		-0.3
Imports of Machinery and Electrical Equipments										Imports of Machinerics and Electrical Equipments									3.1		4.8
Manufacturing Sales										Index of producer's shipment for manufacturing									-1.8 _r		-0.8 _r
Sales Index of Trade and Food Services										Sales of Trade and Food Services									1.1		1.7
—————		—————								The TIER Manufacturing Sector Composite Indicator									96.2 _r		95.9

Notes : 1. Individual Components and check points are in terms of percentage changes over 1-year span, except that the TIER Manufacturing Sector Composite Indicator is points (2006=100).

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

3. p = Preliminarily estimated, r = Revised.

Figure 8 Monitoring Indicators