

Taiwan Business Indicators in September 2013

Press Release

Council for Economic Planning and Development, Executive Yuan

October 28, 2013

In September 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 0.33%, the trend-adjusted coincident index increased by 0.01% 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 103.57, up by 0.45% from August 2013. Its trend-adjusted index increased by 0.33% to 101.21. Among the seven indicators making up the trend-adjusted index, building permits, the index of export orders, net accession rate of employees on payrolls of industry and services, real monetary aggregates M1B, and TAIEX average closing price had positive cyclical movements from the previous month, while SEMI book-to-bill ratio and the TIER manufacturing sector composite indicator had negative cyclical movements.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.26, up by 0.13% from August 2013. Its trend-adjusted index increased by 0.01% to 98.95. Among the seven indicators making up the trend-adjusted index, the index of producer's shipment for manufacturing and the industrial production index had positive cyclical movements from the previous month, while nonagricultural employment, real machineries and electrical equipments imports, real customs-cleared exports, electric power consumption, and sales of trade and food services had negative cyclical movements.
3. **Lagging Indicators:** With revised data, the lagging index stood at 100.51, down by 0.44% from August 2013. Its trend-adjusted index decreased by 0.56% to 98.22. 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,

the interbank overnight call-loan rate, and loans and investments of monetary financial institutions.

4. The Monitoring Indicators: The total score in August was adjusted upward by one point to 20, following the revision of the index of producer's shipment for manufacturing. The total score in September dropped by one point to 19, flashing the "yellow-blue" signal for the third month. Among the nine components, customs-cleared exports and the index of producer's shipment for manufacturing each lost one point and changed its individual light signal from "yellow-blue" to "blue". Imports of machineries and electrical equipments gained one point to change its individual light signal from "yellow-blue" to "green". The light signals for the rest of six components remained unchanged.

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

Table 1 Leading Indicators

Seasonally adjusted

	2013						
	Mar	Apr	May	Jun	Jul	Aug	Sep
Composite Index	101.67	101.94	102.16	102.37	102.69	103.11	103.57
Change from preceding month (%)	0.33	0.27	0.21	0.21	0.31	0.41	0.45
Trend adjusted index	100.06	100.21	100.30	100.39	100.59	100.88	101.21
Change from preceding month (%)	0.20	0.14	0.09	0.09	0.19	0.29	0.33
Components							
Index of export orders (2011=100)	99.8	102.8	102.9	102.9	103.4	105.0	107.0
Real monetary aggregates M1B (NT\$ billion)	12,234	12,250	12,418	12,541	12,643	12,661	12,655
TAIEX average closing price (1966=100)*	7,907	7,893	8,272	7,989	8,102	7,932	8,193
Net accession rate of employees on payrolls of industry and services ** (%)	0.14	0.16	0.10	0.02	-0.01	0.14	0.19 _p
Building permits *** (1,000m ²)	2,311	3,092	3,110	2,319	2,987	3,394	3,614
SEMI Book-to-Bill Ratio	1.11	1.08	1.08	1.10	1.00	0.98	0.97
The TIER manufacturing sector composite indicator (2006=100)	99.48	97.38	99.47	97.51	98.40	98.78	97.67

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						
	Mar	Apr	May	Jun	Jul	Aug	Sep
Composite Index	100.58	100.66	100.82	100.96	101.04	101.13	101.26
Change from preceding month (%)	-0.02	0.08	0.16	0.14	0.08	0.09	0.13
Trend adjusted index	98.99	98.95	98.99	99.01	98.97	98.95	98.95
Change from preceding month (%)	-0.15	-0.04	0.04	0.03	-0.04	-0.03	0.01
Components							
Industrial production index (2011=100)	99.2	98.2	99.0	99.7	100.5	100.3	100.8
Electric power consumption (billion kWh)	11.40	11.81	11.92	12.31	11.83	11.95	11.97
Index of producer's shipment for manufacturing (2011=100)	94.9	96.3	97.9	97.5	97.0	99.4	97.8 _p
Sales of trade and food services (NT\$ billion)	1,177	1,183	1,183	1,180	1,178	1,177	1,185
Nonagricultural employment (thousand persons)	10,402	10,406	10,409	10,418	10,417	10,423	10,441
Real customs-cleared exports (NT\$ billion)	777.4	764.3	784.7	808.0	772.5	786.8	788.7
Real machineries and electrical equipments imports (NT\$ billion)	210.5	207.6	215.1	217.5	207.7	191.4	217.9

Table 3 Lagging Indicators

Seasonally adjusted

	2013						
	Mar	Apr	May	Jun	Jul	Aug	Sep
Composite Index	102.58	102.47	102.18	101.80	101.39	100.96	100.51
Change from preceding month (%)	0.10	-0.10	-0.29	-0.37	-0.40	-0.43	-0.44
Trend adjusted index	100.96	100.73	100.32	99.84	99.32	98.77	98.22
Change from preceding month (%)	-0.03	-0.23	-0.41	-0.49	-0.52	-0.55	-0.56
Components							
Unemployment rate* (%)	4.18	4.19	4.19	4.17	4.18	4.19	4.18
Regular employees on payrolls in industry & services (thousand persons)	6,820	6,827	6,834	6,841	6,846	6,854	6,862 _p
The manufacturing unit output labor cost index (2006=100)	84.4	85.3	84.4	84.1	83.8	84.7	83.1 _p
Interbank overnight call-loan rate** (percent per annum)	0.387	0.386	0.386	0.386	0.386	0.386	0.386
Loans and investments of monetary financial institutions (NT\$ billion)	25,934	25,986	25,979	26,160	26,349	26,423	26,555
Inventories to sales ratio for manufacturing (%)	73.3	72.2	67.2	67.3	68.6	66.4	67.5 _p

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

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

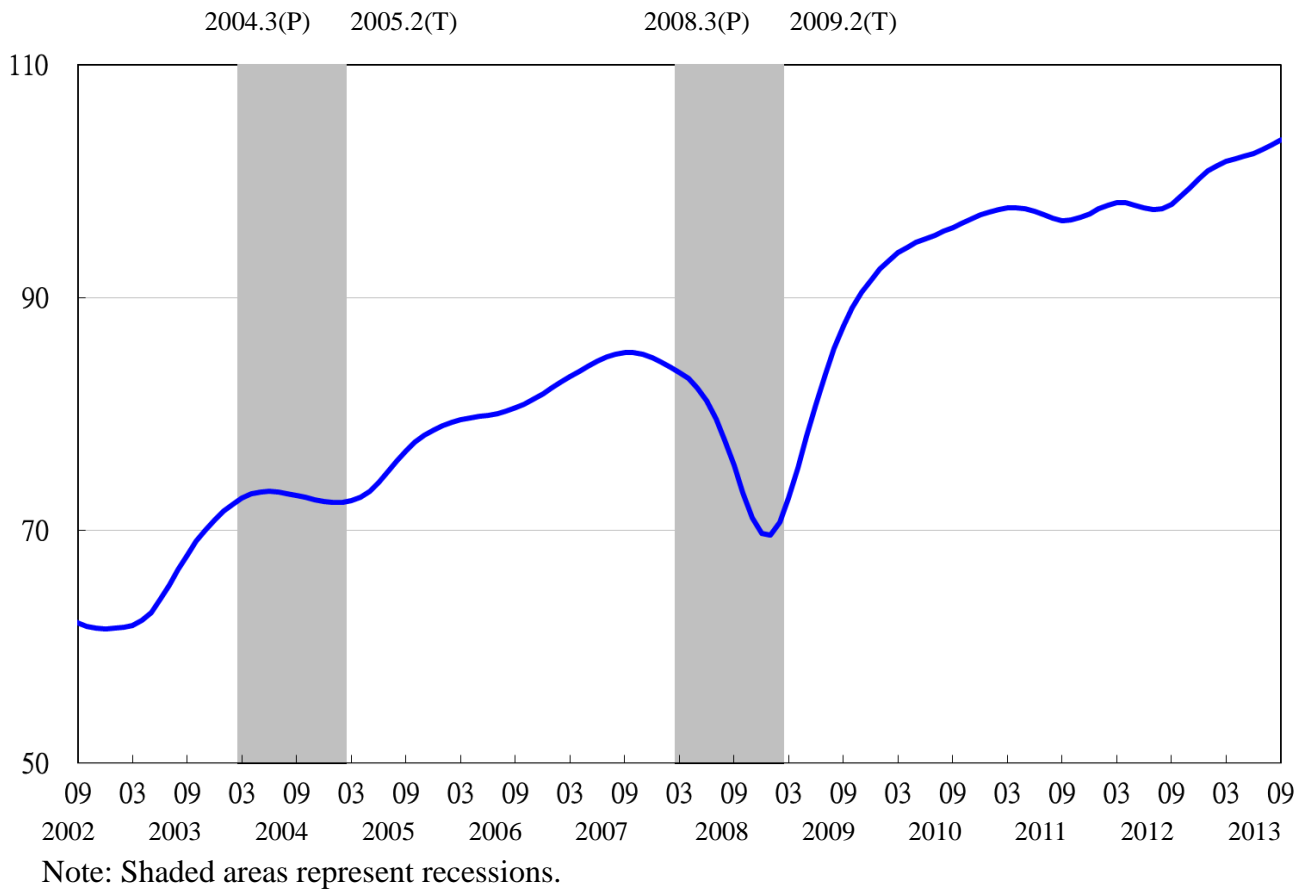


Figure 1 Composite Leading Index

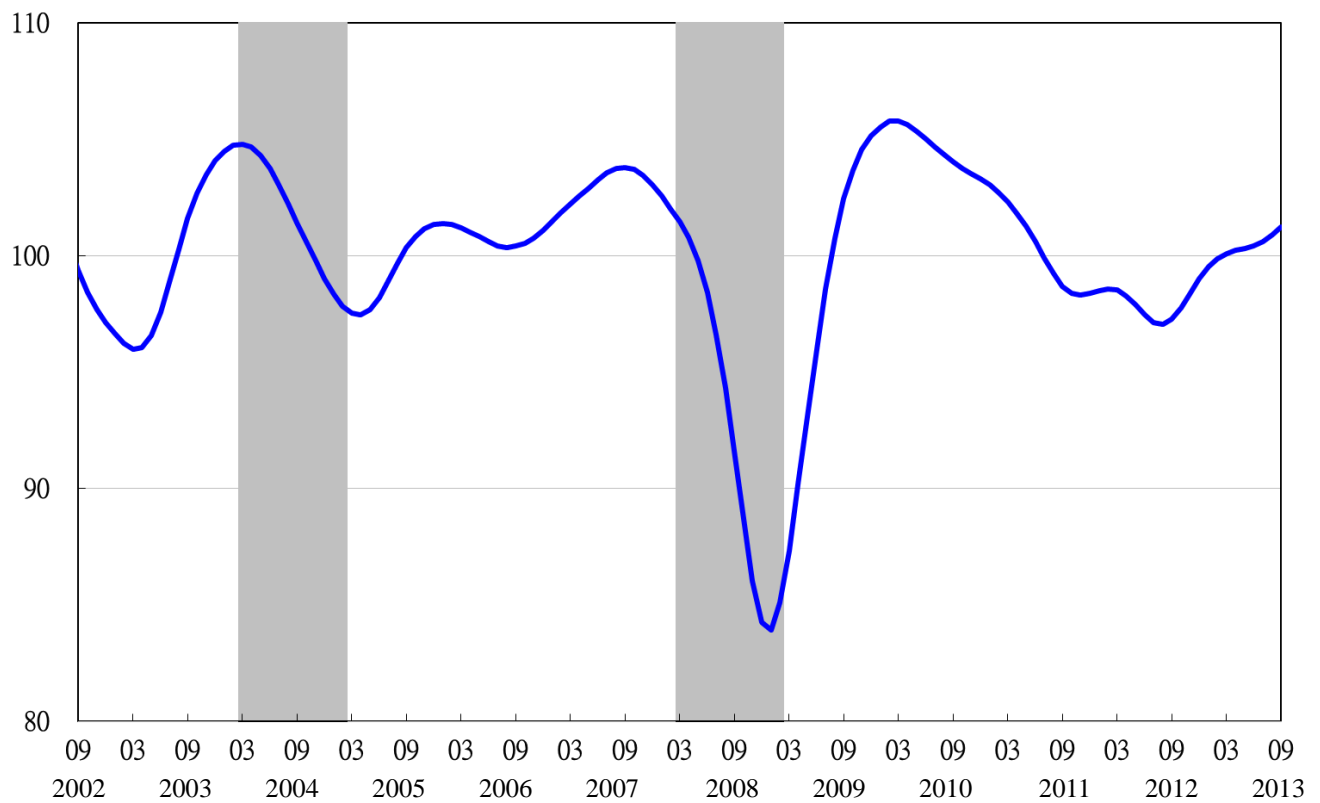


Figure 2 Trend-adjusted Composite Leading Index

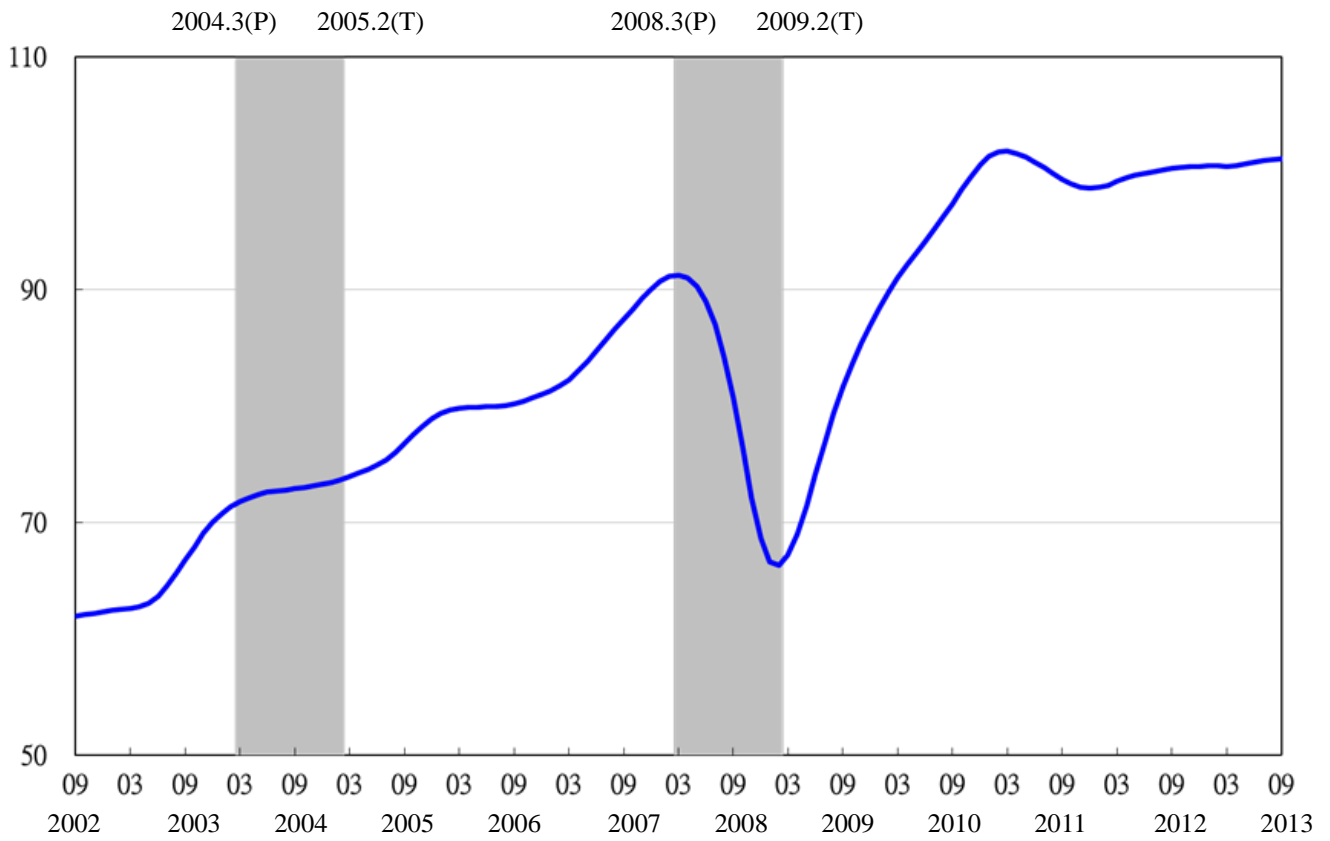


Figure 3 Composite Coincident Index

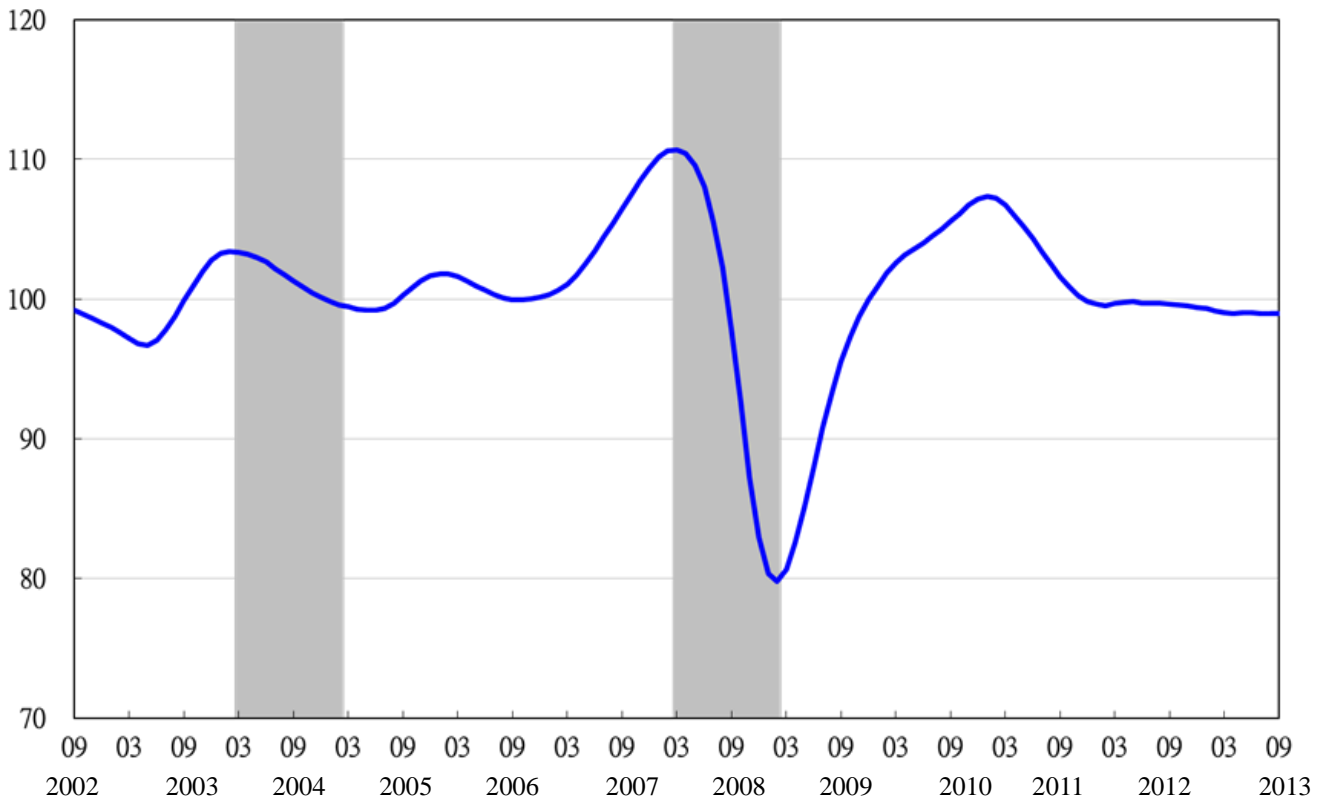


Figure 4 Trend-adjusted Composite Coincident Index

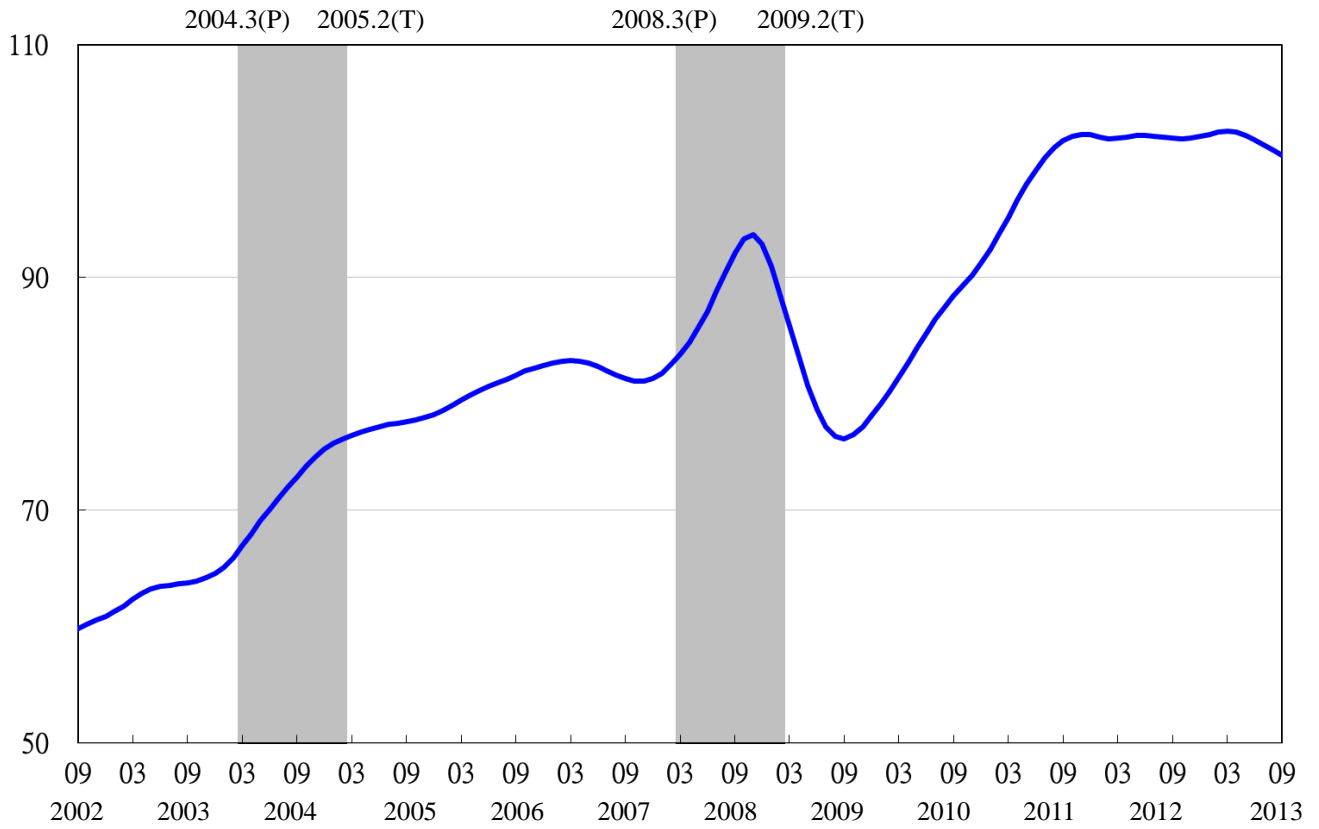


Figure 5 Composite Lagging Index

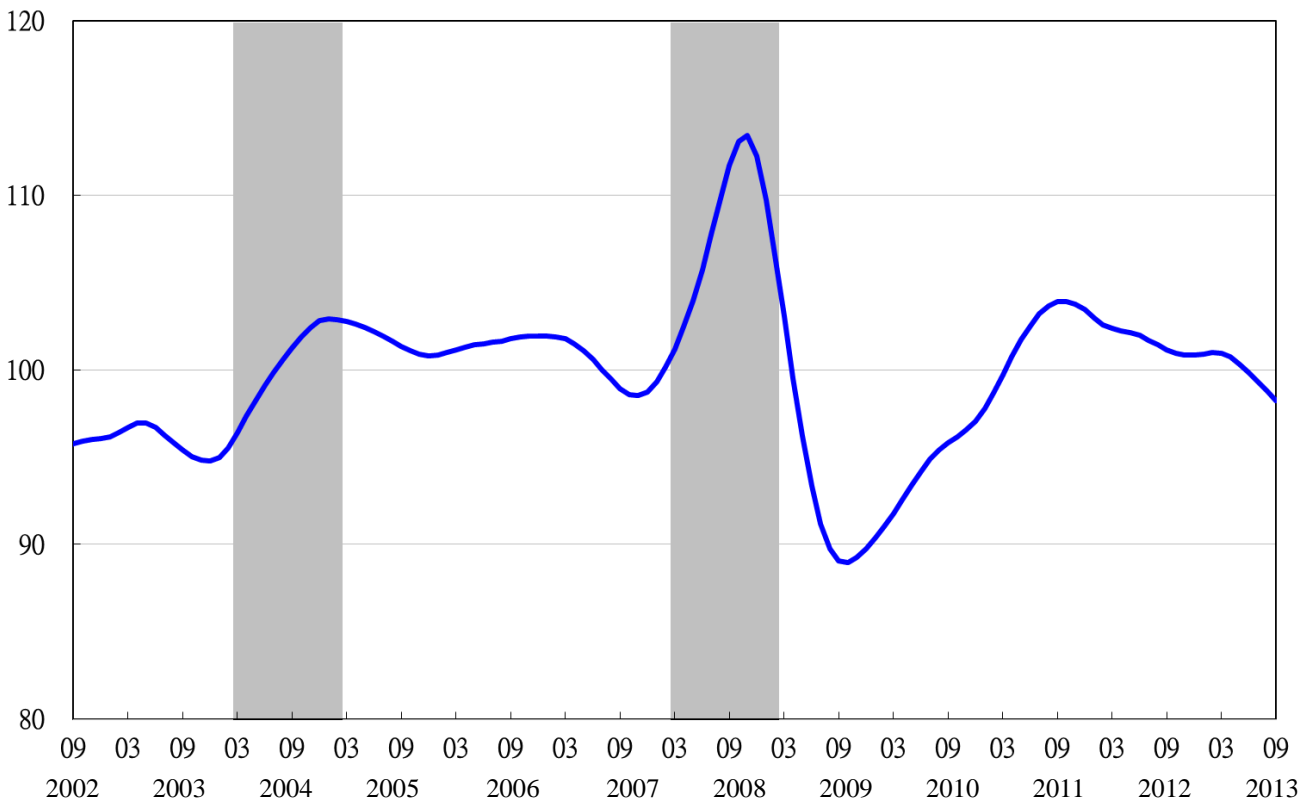


Figure 6 Trend-adjusted Composite Lagging Index

	Month	2012				2013									
		9	10	11	12	1	2	3	4	5	6	7	8	9	
Total	Light											New Series beginning in July 2013*			
	Score	20	19	21	22	19	20	18	17	19	23				
Monetary Aggregates M1B												Monetary Aggregates M1B			
Direct and Indirect Finance												—————			
TAIEX average closing price												TAIEX Average Closing Price			
Industrial Production Index													7.1		7.7
Nonagricultural Employment													0.3 _r		0.1
Customs-Cleared Exports													1.0		1.0
Imports of Machinery and Electrical Equipments													2.8		-6.0
Manufacturing Sales														-5.6	8.6
Sales Index of Trade and Food Services													0.0 _r		-4.0 _p
													-0.1		-0.2
		—————									The TIER Manufacturing Sector Composite Indicator				
													98.8		97.7

● Booming ● Transitional ● stable ● Transitional ▼ sluggish

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 7 Monitoring Indicators