

Taiwan Business Indicators in November 2014

Press Release

National Development Council (NDC)

December 26, 2014

In November 2014, the Taiwan Business Indicators showed that the domestic economy continued its moderate growth. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.17%, the trend-adjusted coincident index increased by 0.26% from the previous month, and the overall monitoring indicator flashed the "green" signal for the tenth consecutive month.

1. The Monitoring Indicators: The total score in November 2014 increased by one point to 25, flashing the "green" signal for the tenth month. Among the nine components, the industrial production index lost one point to change its individual light signal from "yellow-red" to "green", while the customs-cleared exports changed its individual light signal from "yellow-red" to "green", and the imports of machineries and electrical equipments changed its individual light signal from "green" to "yellow-red", each gained one point. The light signal for the rest of six components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 99.55, down by 0.17% from October 2014. Among the seven indicators making up the trend-adjusted index, the index of export orders, and real monetary aggregates M1B had positive cyclical movements from the previous month, while the TIER manufacturing sector composite indicator, building permits, SEMI book-to-bill ratio, TAIEX average closing price, and net accession rate of employees on payrolls of industry and services had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 101.98, up by 0.26% from October 2014. Among the seven indicators making up the trend-adjusted index, real machineries electrical equipments imports, the industrial production index, electric power consumption, and nonagricultural employment had positive cyclical movements from the previous month, while sales of trade and food services, the index of producer's shipment for

manufacturing, and real customs-cleared exports had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 99.37, up by 0.23% from October 2014. Among the six indicators making up the trend-adjusted index, the inventories to sales ratio for manufacturing, regular employees on payrolls in industry and services, the unemployment rate (inverted), and the manufacturing unit output labor cost index had positive cyclical movements from the previous month, while loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had negative cyclical movements.

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

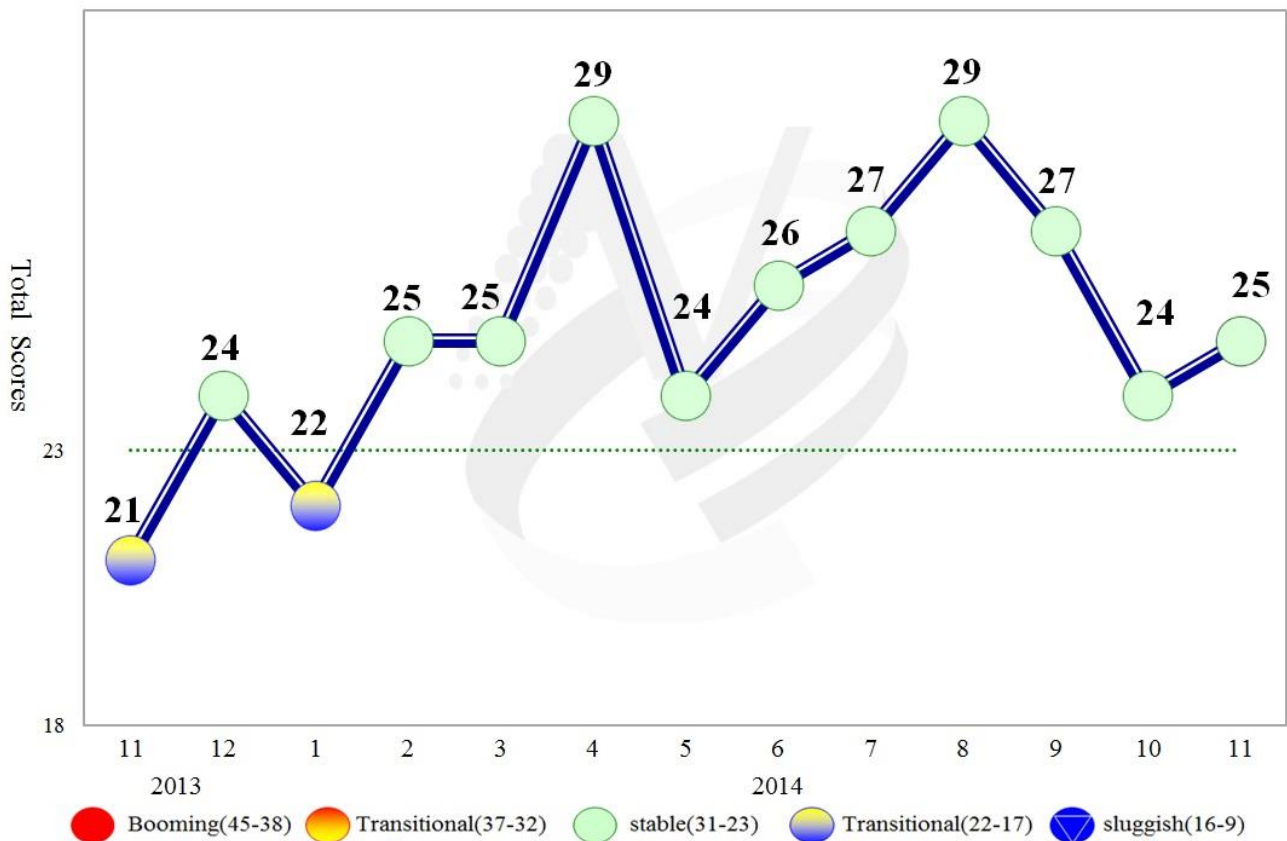


Figure 1 Total Scores in the Past Year

		2013		2014												
		11	12	1	2	3	4	5	6	7	8	9	10	11		
Total	Light															
	Score	21	24	22	25	25	29	24	26	27	29	27	24	25		
Monetary Aggregates M1B													7.2		7.1	
TAIEX Average Closing Price													5.4		9.5	
Industrial Production Index														8.2 _r		7.99
Nonagricultural Employment													1.1		1.1	
Customs-Cleared Exports													4.0		7.1	
Imports of Machineries and Electrical Equipments													2.5 _r		20.7	
Index of producer's shipment for manufacturing													4.7 _r		3.6 _p	
Sales of Trade and Food Services													1.6		0.8	
The TIER Manufacturing Sector Composite Indicator													95.6 _r		94.3	

Notes : 1. Individual Components 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

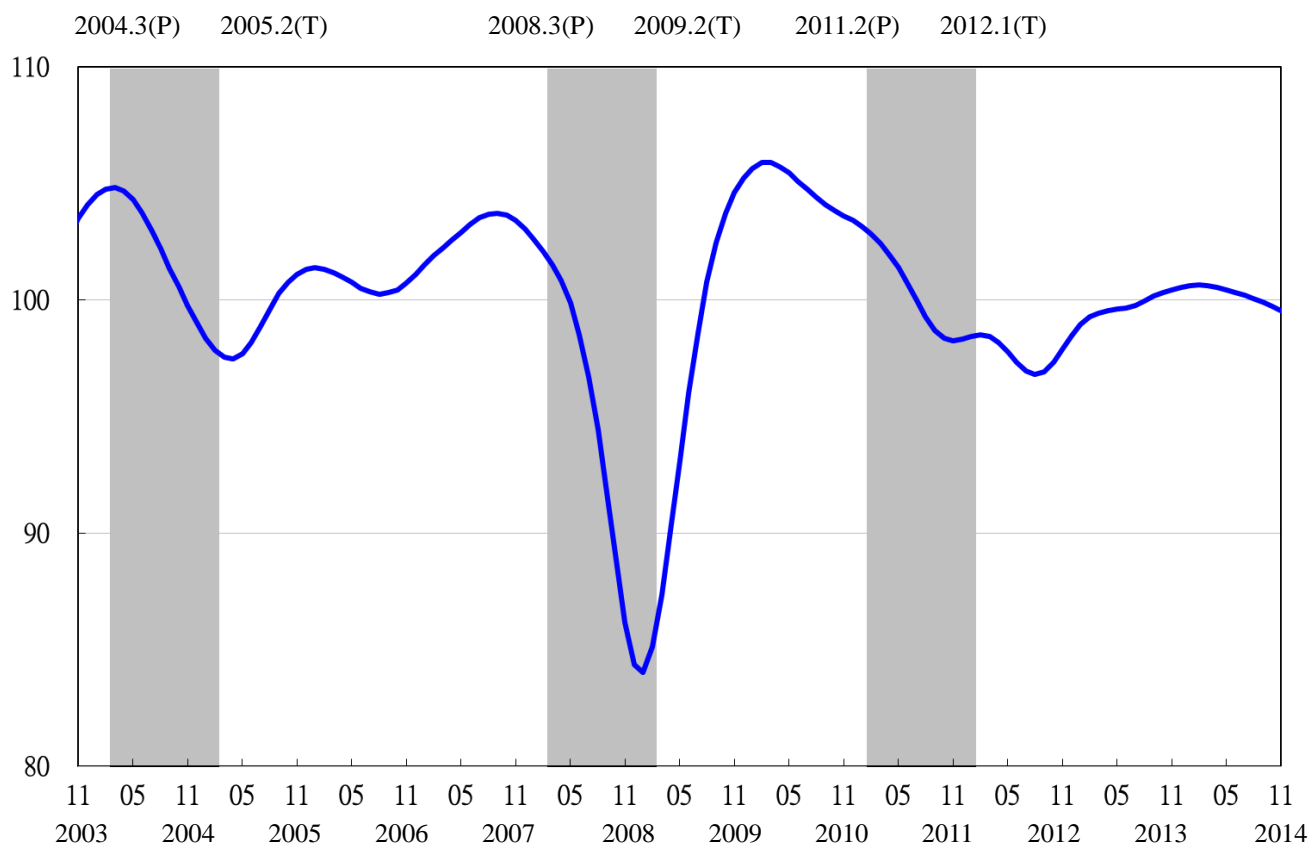
Table 1 Leading Indicators

	Index						
	2014						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Trend adjusted index	100.43	100.33	100.20	100.05	99.89	99.72	99.55
Change from preceding month (%)	-0.11	-0.10	-0.12	-0.15	-0.16	-0.17	-0.17
Components¹							
Index of export orders	99.63	99.74	99.99	100.41	100.98	101.58	102.16
Real monetary aggregates M1B	100.06	100.06	100.07	100.08	100.10	100.14	100.18
TAIEX average closing price	100.30	100.35	100.35	100.31	100.24	100.14	100.04
Net accession rate of employees on payrolls of industry and services ²	100.20	100.12	100.05	100.01	99.98	99.95	99.93
Building permits ³	99.89	99.75	99.62	99.46	99.30	99.14	98.98
SEMI Book-to-Bill Ratio	100.18	100.14	100.04	99.89	99.71	99.56	99.44
The TIER manufacturing sector composite indicator	100.84	100.78	100.60	100.30	99.88	99.39	98.88

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						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Trend adjusted index	100.47	100.72	100.99	101.25	101.48	101.72	101.98
Change from preceding month (%)	0.22	0.25	0.26	0.26	0.23	0.24	0.26
Components							
Industrial production index	99.99	100.19	100.40	100.61	100.82	101.03	101.23
Electric power consumption	99.55	99.74	99.98	100.22	100.42	100.61	100.82
Index of producer's shipment for manufacturing	100.30	100.40	100.47	100.52	100.54	100.54	100.53
Sales of trade and food services	100.30	100.25	100.16	100.07	99.98	99.89	99.80
Nonagricultural employment	99.67	99.64	99.61	99.62	99.64	99.68	99.72
Real customs-cleared exports	100.03	100.13	100.21	100.26	100.27	100.25	100.24
Real machineries and electrical equipments imports	100.04	100.07	100.13	100.23	100.36	100.54	100.77

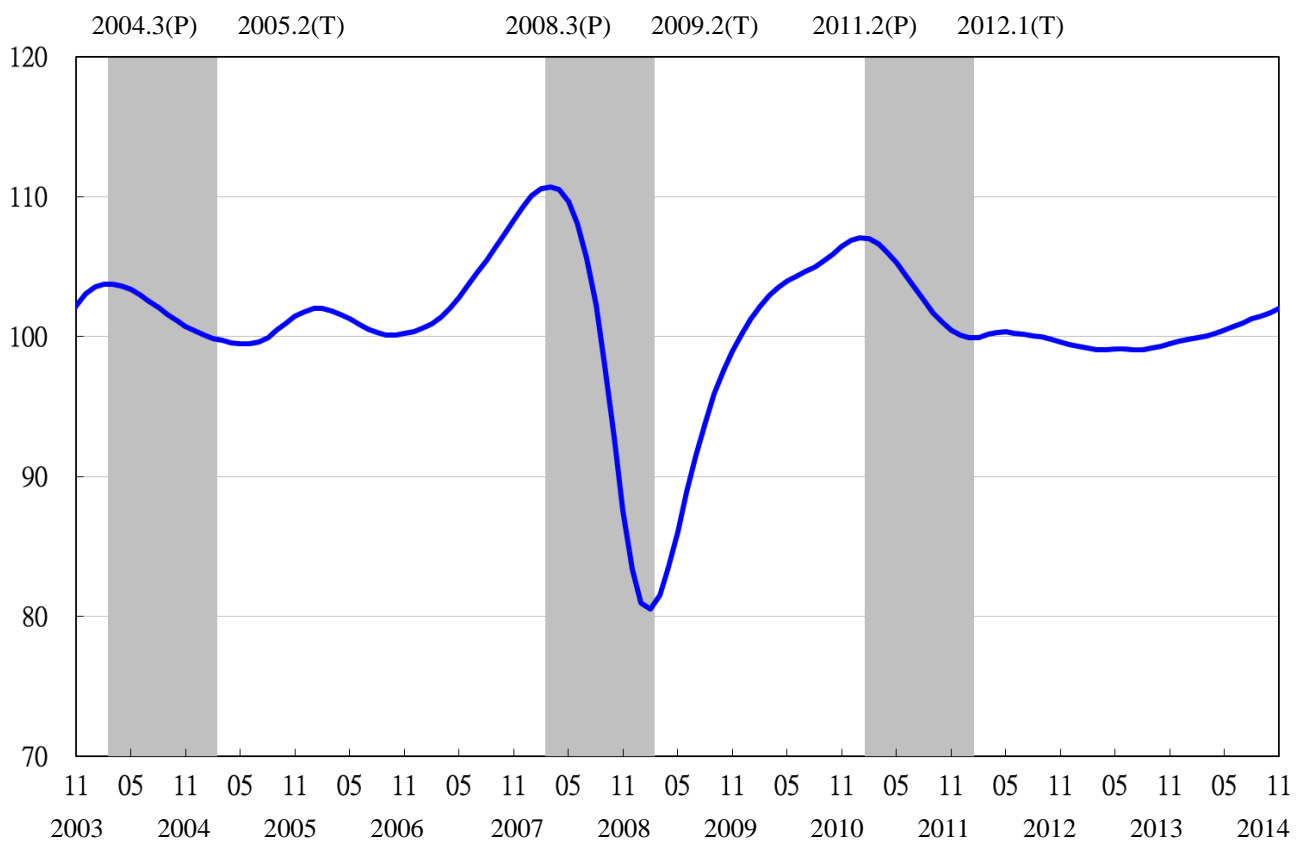


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2014						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Trend adjusted index	98.88	98.92	99.00	99.01	99.00	99.14	99.37
Change from preceding month (%)	0.05	0.04	0.09	0.01	-0.004	0.14	0.23
Components							
Unemployment rate	99.82	99.86	99.90	99.94	99.98	100.01	100.05
Regular employees on payrolls in industry & services	99.78	99.81	99.84	99.88	99.93	99.97	100.01
The manufacturing unit output labor cost index	100.03	99.99	99.93	99.73	99.49	99.39	99.394
Interbank overnight call-loan rate	99.97	99.97	99.96	99.96	99.95	99.95	99.94
Loans and investments of monetary financial institutions	99.92	99.92	99.91	99.89	99.85	99.81	99.76
Inventories to sales ratio for manufacturing	99.17	99.20	99.29	99.45	99.65	99.87	100.11

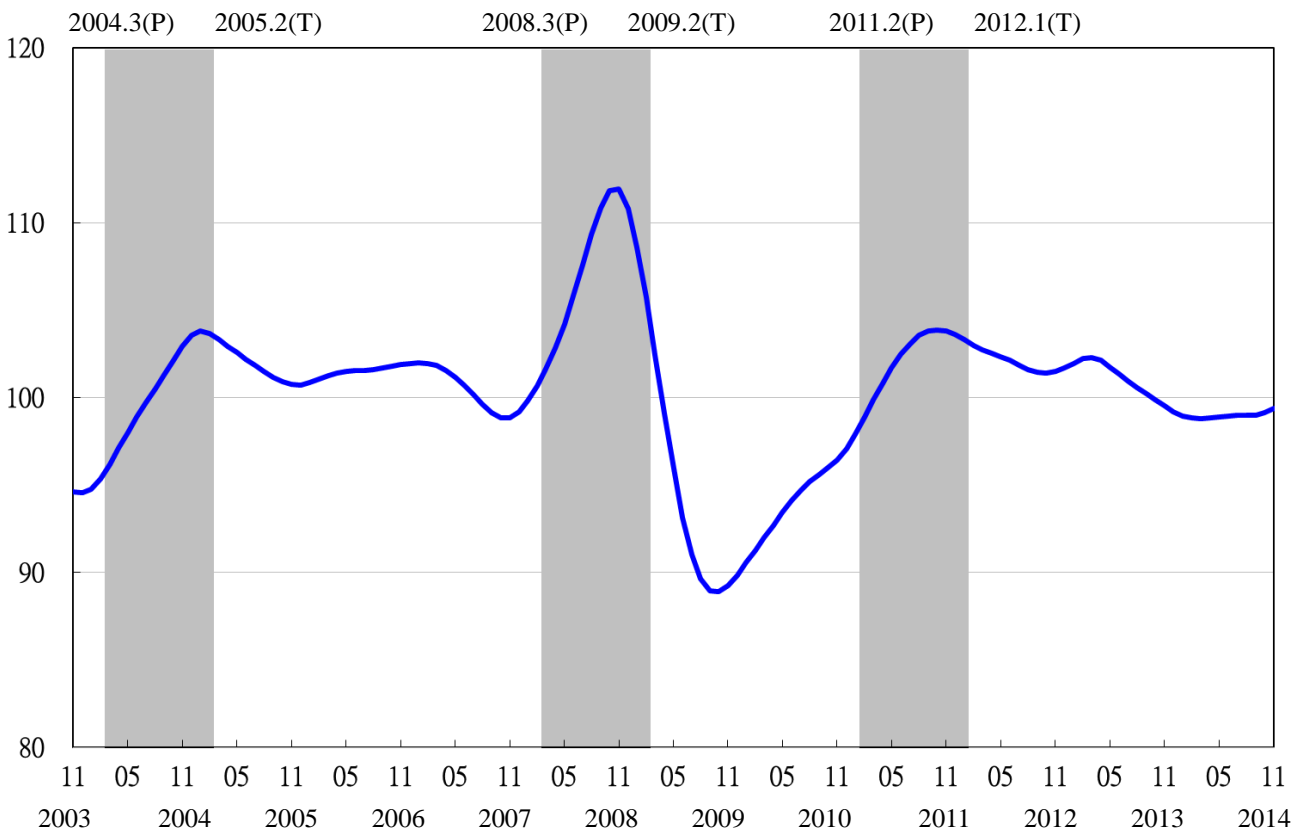


Figure 5 Trend-adjusted Lagging Index