

Taiwan Business Indicators in March 2011

Press Release

Council for Economic Planning and Development

April 27, 2011

In March 2011, Taiwan Business Indicators indicated that the economy continued its steady growth. 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 0.2 points, the trend-adjusted coincident index increased by 0.1% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 126.9, up by 0.2% from February. Its annualized six-month rate of change decreased by 0.2 points to 3.0%. All seven indicators making up the trend-adjusted index had negative cyclical movements from previous month, which are index of producer's inventory for manufacturing, building permits, real monetary aggregates M1B, SEMI book-to-bill ratio, index of export orders, average monthly overtime in industry and services, and stock price index.
2. **Coincident Indicators:** With revised data, the coincident index stood at 137.3, up by 1.1% from February. Its trend-adjusted index increased by 0.1% to 105.5. Among the seven indicators making up the trend-adjusted index, nonagricultural employment, index of producer's shipment for manufacturing, the industrial production index, and real customs-cleared exports had positive cyclical movements from previous month. The sales index of wholesale, retail and food services, electric power consumption, and real machineries and electrical equipments imports had negative cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 139.6, up by 2.3% from February. Its trend-adjusted index rose by 1.2% to 107.3. Among the six indicators making up the trend-adjusted index, unemployment rate, inventories to sales ratio for manufacturing, loans and investments of major financial institutions, regular employees on payrolls in industry and services, and interbank

overnight call-loan rate had positive cyclical movements from previous month. The manufacturing unit output labor cost index had negative cyclical movements from previous month.

4. The Monitoring Indicators: The total score in March was down by 3 points to 31, changing the overall light signal from "yellow-red" to "green". Among the nine components, stock price lost one point and changed its individual light signal from "yellow-red" to "green", customs cleared exports lost two points and changed its individual light signal from "red" to "green". The light signals for the rest of seven components remained unchanged.

~~ The next release is scheduled for May 27 2011 ~~

Leading Indicators

Seasonally adjusted

	2010				2011		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	125.0	125.3	125.7	126.1	126.4	126.7	126.9
Change from preceding month (%)	0.2	0.3	0.3	0.3	0.2	0.2	0.2
Annualized 6-month rate of change (%)	7.2	5.9	4.9	4.2	3.6	3.2	3.0
Change from preceding month (point)	-1.9	-1.4	-1.0	-0.7	-0.6	-0.4	-0.2
Components							
Index of export orders (2006=100)	135.9	135.5	138.2	140.4	141.1	136.6	141.1
Real monetary aggregates M1B (NT\$ billion)	10,530	10,586	10,707	10,806	10,836	10,779	10,831
Stock price index(1966=100)	8,040	8,210	8,350	8,777	8,971	8,743	8,575
Index of producer's Inventory for manufacturing*(2006=100)	110.8	110.7	113.1	114.4	117.4	118.7	119.4 _p
Average monthly overtime in industry and services (hours/month)	8.7	8.8	8.8	8.7	8.8	9.3	9.0 _p
Building Permits ** (1,000m2)	2,309	2,313	2,262	2,584	2,591	2,184	2,282
SEMI Book-to-Bill Ratio	1.03	0.98	0.97	0.90	0.85	0.87	0.95

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

	2010				2011		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	127.1	128.8	130.6	132.4	134.1	135.7	137.3
Change from preceding month (%)	1.2	1.3	1.4	1.4	1.3	1.2	1.1
Trend adjusted index	104.0	104.3	104.7	105.0	105.3	105.4	105.5
Change from preceding month (%)	0.1	0.3	0.4	0.3	0.2	0.1	0.1
Components							
Industrial production index(2006=100)	119.3	124.6	132.5	137.0	139.2	138.1	136.9
Electric power consumption (billion kWh)	11.38	11.40	11.36	11.77	11.55	11.32	11.57
Index of producer's shipment for manufacturing (2006=100)	121.6	126.8	130.4	131.0	132.3	136.5	137.7 _p
Sales index of wholesale, retail, and food services (2006=100)	109.5	110.7	110.6	111.0	111.7	108.0	110.0
Nonagricultural employment (1,000)	9,990	10,006	10,020	10,044	10,070	10,102	10,117
Real customs-cleared exports (NT\$ billion)	744.9	751.9	755.3	768.7	778.3	824.6	793.0
Real machineries and electrical equipments imports (NT\$ billion)	281.3	278.4	282.2	290.6	300.5	300.4	296.0

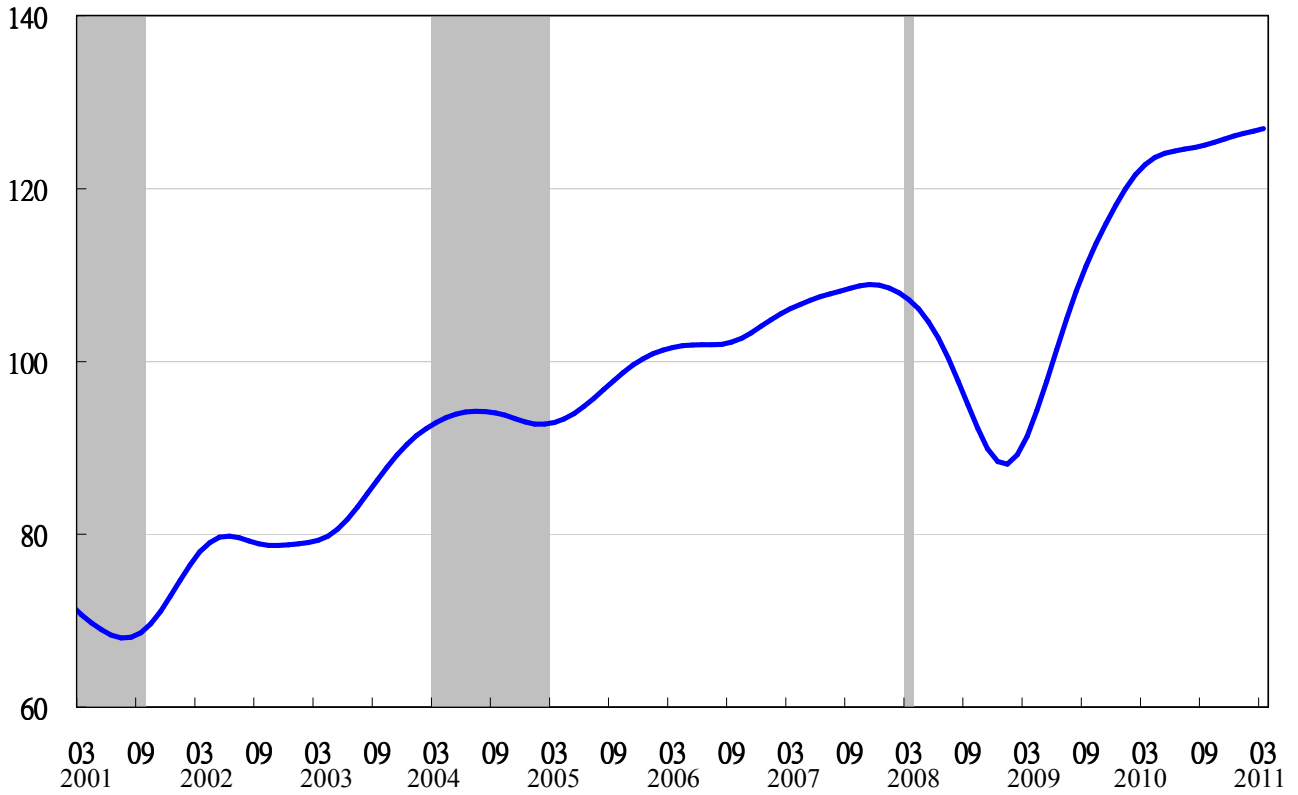
Lagging Indicators

Seasonally adjusted

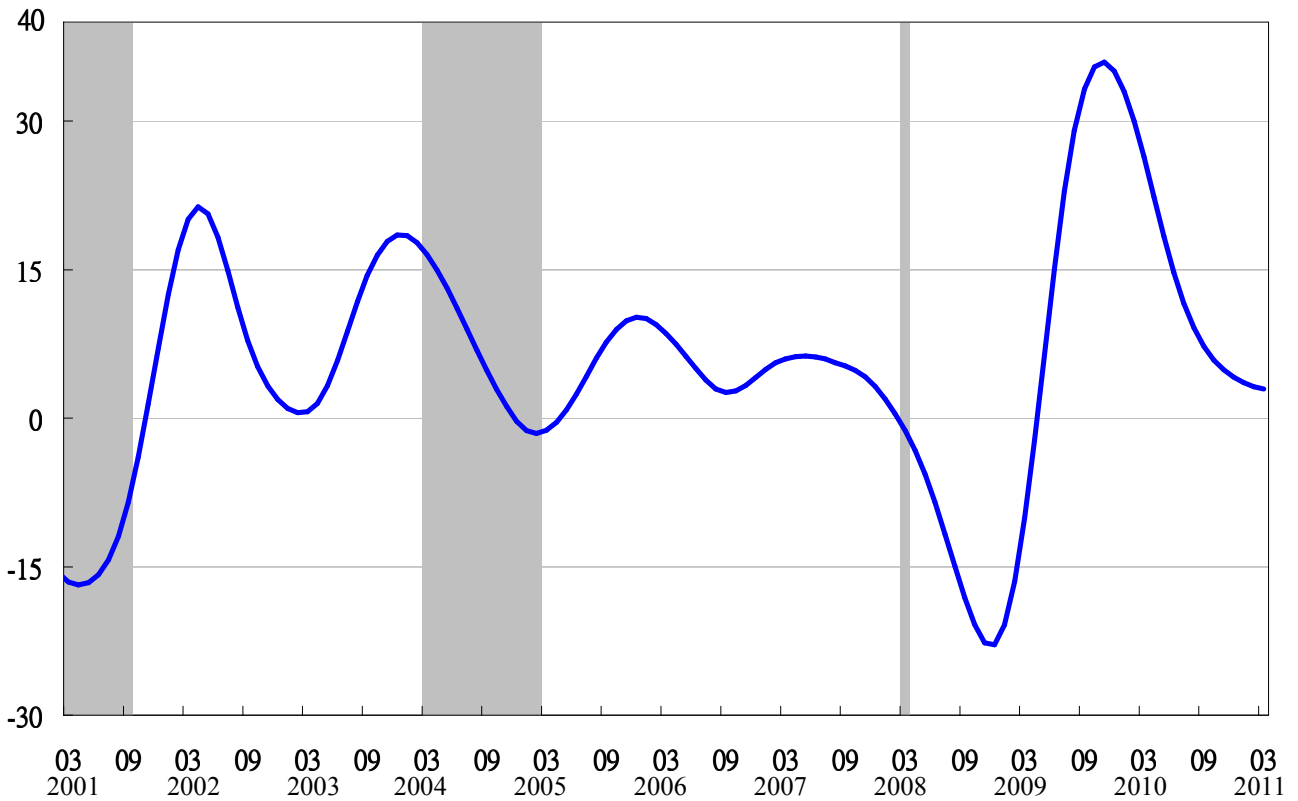
	2010				2011		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	123.5	125.7	128.1	130.6	133.5	136.5	139.6
Change from preceding month (%)	1.9	1.8	1.9	2.0	2.2	2.3	2.3
Trend adjusted index	101.0	101.8	102.6	103.6	104.7	106.0	107.3
Change from preceding month (%)	0.9	0.8	0.8	0.9	1.1	1.2	1.2
Components							
Unemployment rate** (%)	5.05	4.96	4.83	4.72	4.71	4.59	4.42
Regular employees on payrolls in industry & services (Thousand persons)	6,512	6,532	6,553	6,572	6,591	6,612	6,639 _p
The manufacturing unit output labor cost index (index 2006=100)	82.3	78.4	77.8	76.2	76.9	78.3	74.9 _p
Interbank overnight call-loan rate (percent per annum)	0.210	0.226	0.231	0.239	0.257	0.262	0.274
Loans and investments of major financial institutions (NT\$ billion)	22,198	22,404	22,578	22,773	23,073	23,187	23,300
Inventories to sales ratio for manufacturing (%)	60.7	59.9	57.0	58.1	58.3	60.9	62.2 _p

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

Composite Leading Index

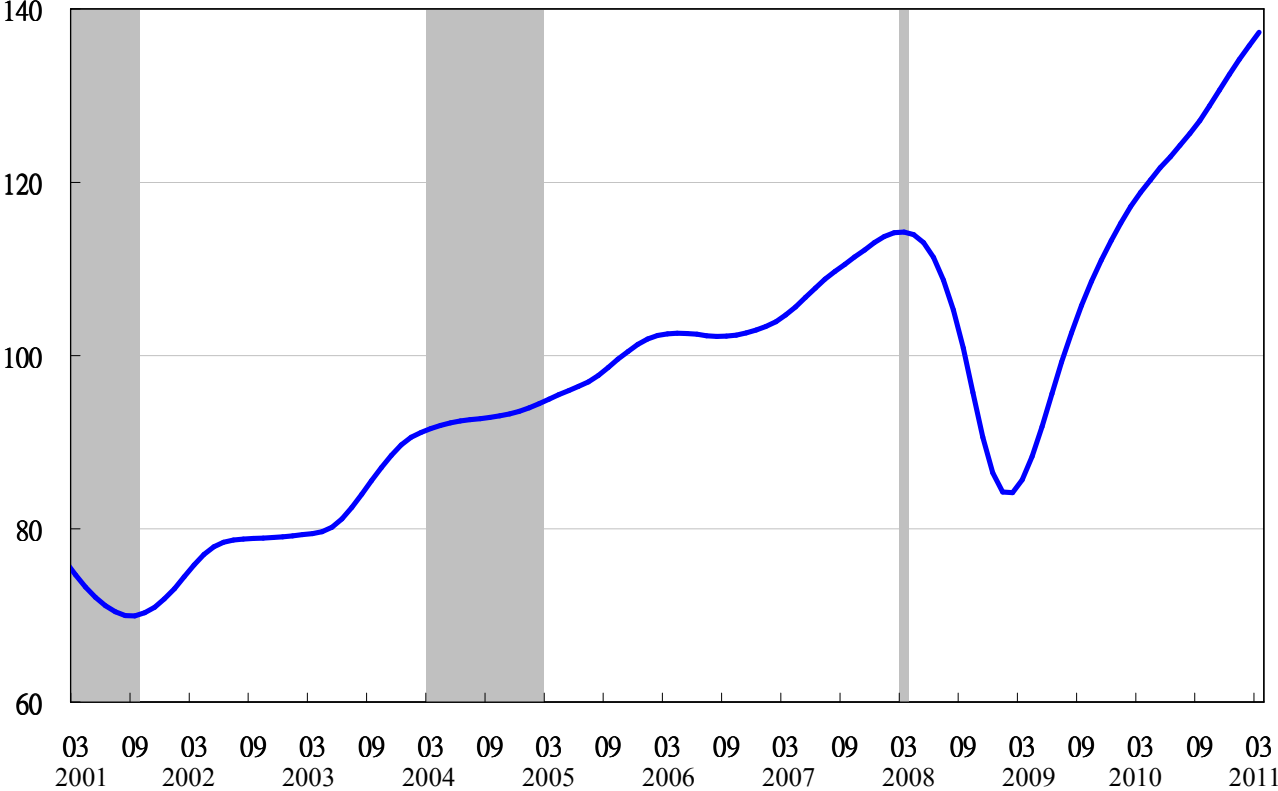


Annualized 6-month rate of change of composite leading index

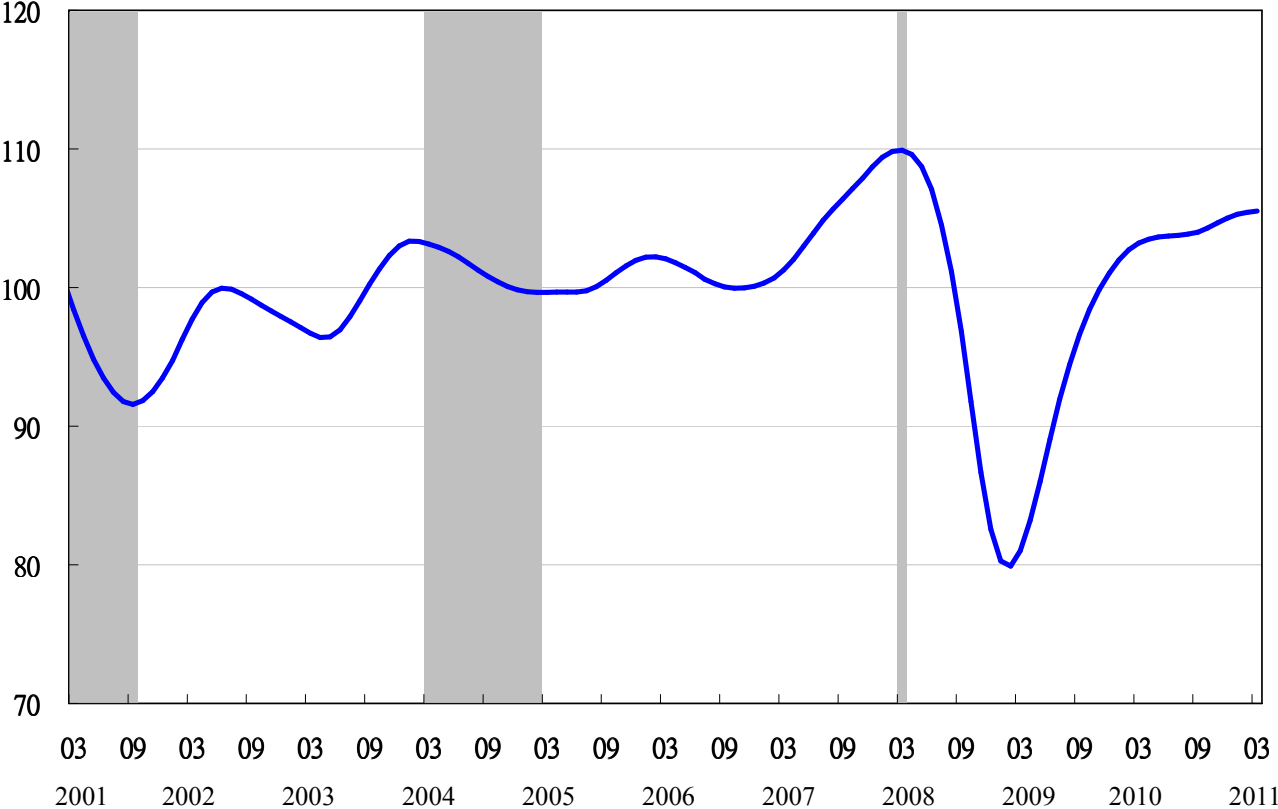


Shaded areas represent recessions.

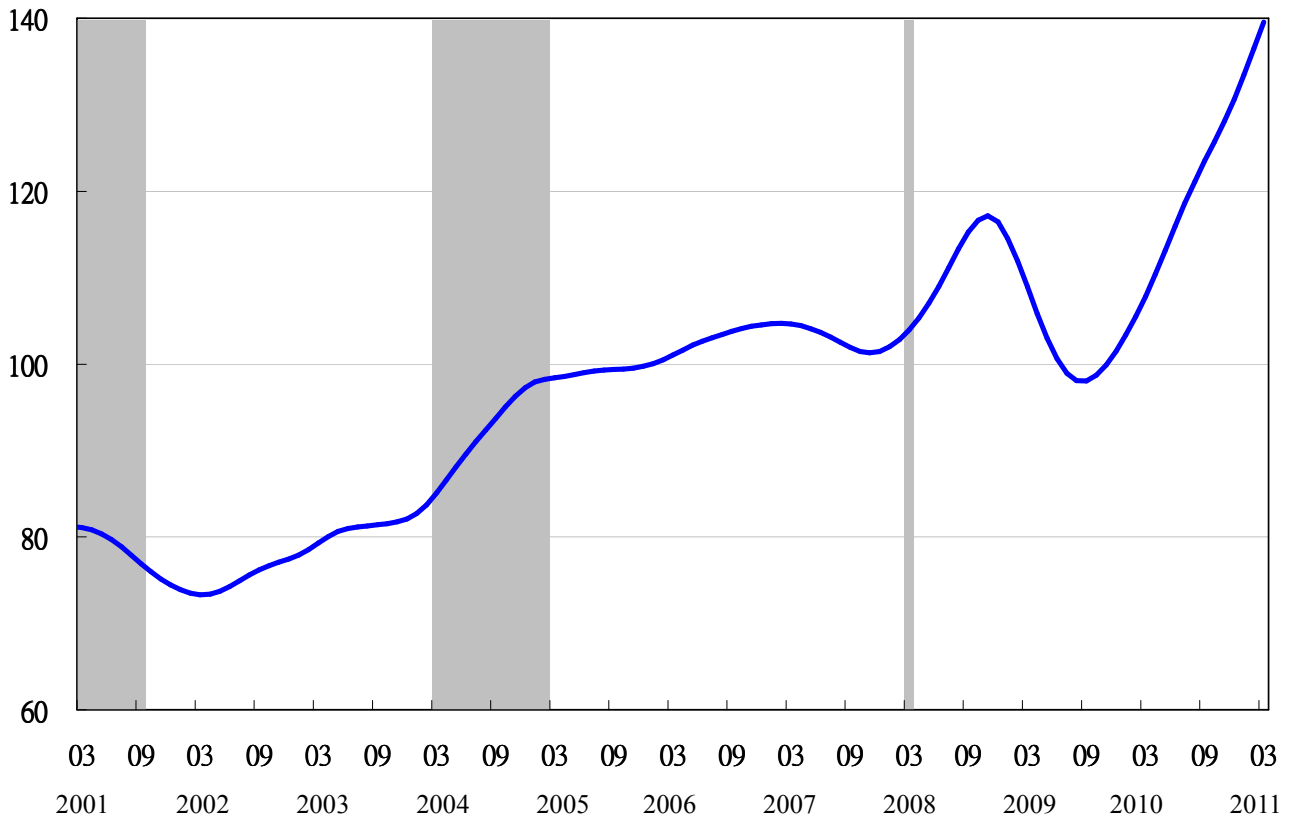
Composite Coincident Index



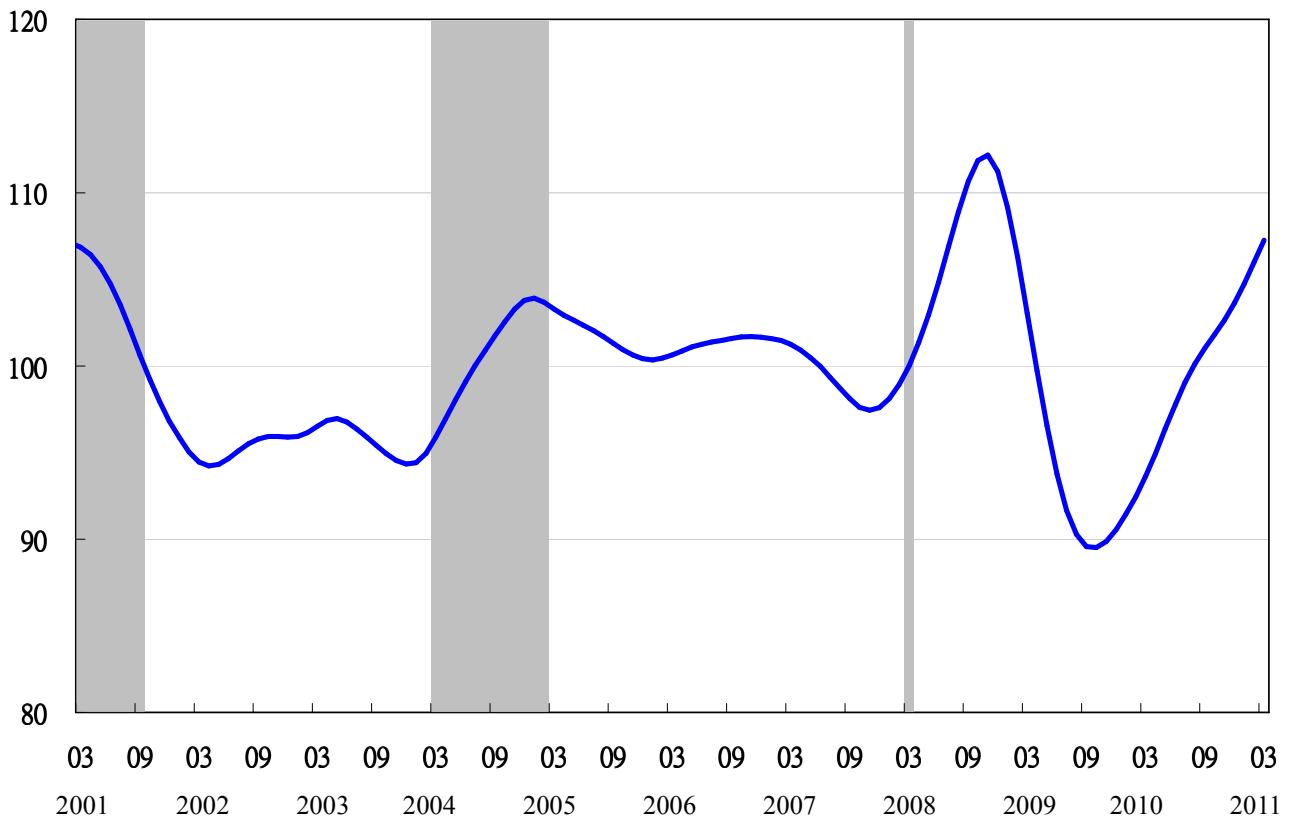
Trend-adjusted composite coincident index





































































Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

		2010										2011			
		2	3	4	5	6	7	8	9	10	11	12	1	2	3
Total	Light Score														
		38	39	39	37	37	38	38	37	34	32	34	34	34 _t	31
Monetary Aggregates M1B															9.7
Direct and Indirect Finance															5.3
Stock Price Index															10.3
Industrial Production Index															13.7
Nonagricultural Employment															2.4
Exports															8.5
Imports of Machinery and Electrical Equipment															6.6
Manufacturing Sales															13.7 _p
Wholesale, Retail and Food Services Sales															3.8

● 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.