

## Taiwan Business Indicators in August 2009

Press Release

Council for Economic Planning and Development

September 28, 2009

In August 2009, the consecutive improvement of Taiwan Business Indicators provides further evidence of a recovery from serious slowdown in Taiwan. 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 rose 4.4 points, the trend-adjusted coincident index also rose by 1.0% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. **Leading Indicators:** With revised data, the leading index stood at 100.0, up by 1.9% from July. Its annualized six-month rate of change rose by 4.4 points to 18.1%. The increasing leading index mainly came from the positive cyclical movements in average monthly overtime in industry and services, the index of export orders, index of producer's inventory, real monetary aggregates M1B, building permits, and stock price index.
2. **Coincident Indicators:** With revised data, the coincident index stood at 92.5, up by 0.6% from July. Its trend-adjusted index rose by 1.0% to 97.3. The increasing coincident index mainly came from the positive cyclical movements in real customs-cleared exports, electric power consumption, real manufacturing sales, industrial production index, the sales index of wholesale, retail, and food services.
3. **The Monitoring Indicators:** The total score recorded 18 in August, remaining at the same level of July. The overall light signal was flashing the "yellow-blue" signal for the third consecutive month. Among the nine components, stock price index gained one point and changed its individual light signal from "yellow-blue" to "green", sales index of wholesale, retail and food services lost one point and changed its individual light signal from "red" to "yellow-red". The light signals for the rest of seven components remained unchanged.

~~ **The next release is scheduled for October 27, 2009** ~~

## Leading Indicators

Seasonally adjusted

	2009						
	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Composite Index</b>	86.4	88.4	91.0	93.2	95.2	98.2	100.0
Change from preceding month (%)	1.8	2.3	2.9	2.4	2.1	3.1	1.9
Annualized 6-month rate of change (%)	-19.5	-13.3	-6.0	0.5	6.2	13.7	18.1
Change from preceding month (point)	5.2	6.2	7.3	6.5	5.7	7.5	4.4
<b>Components</b>							
Index of export orders (2006=100)	102.7	105.5	109.2	112.6	121.4	118.8	117.3
Real monetary aggregates M1B (NT\$ billion)	8,054	8,245	8,507	8,774	8,962	9,105	9,237
Stock price index(1966=100)	4,477	4,926	5,724	6,586	6,496	6,835	6,856
Index of producer's Inventory (2006=100)	104.2	103.5	102.5	104.1	101.4	100.3	100.1 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	4.9	4.8	5.4	5.9	6.1	6.7	7.5 <sub>p</sub>
Building Permits * (1000m2)	1,141	1,130	1,228	828	990	1,215	1,490
SEMI Book-to-Bill Ratio	0.49	0.56	0.65	0.73	0.80	1.06	1.03

Note : 1.p=Preliminary.

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

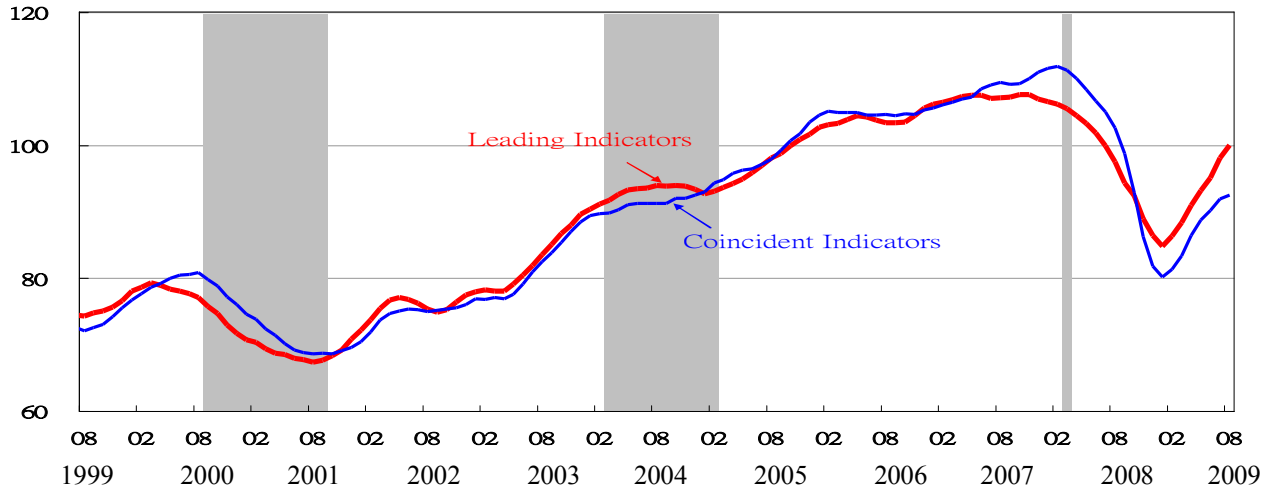
## Coincident Indicators

Seasonally adjusted

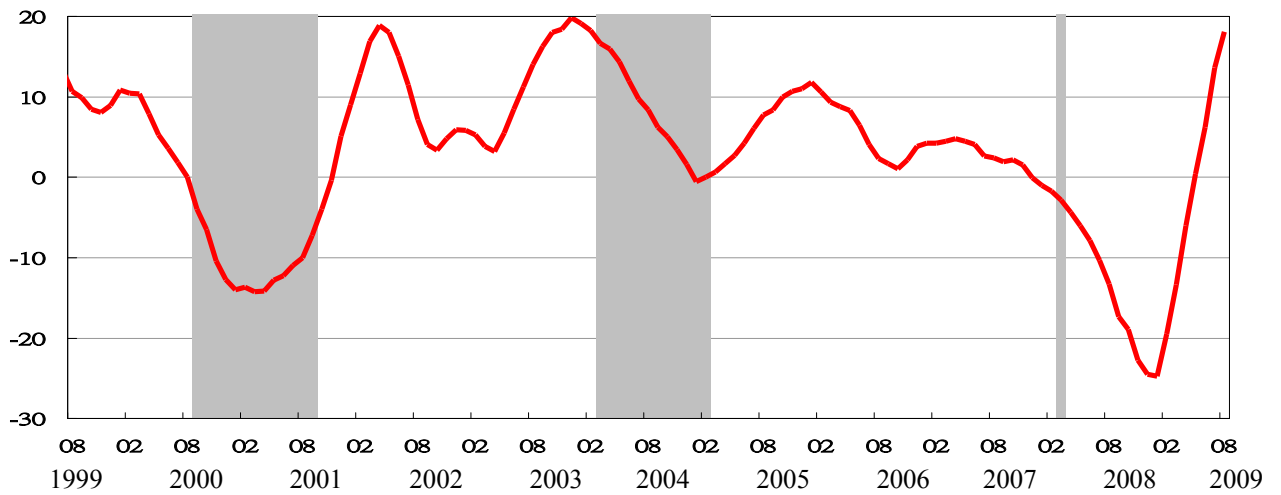
	2009						
	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Composite Index</b>	81.4	83.5	86.5	88.8	90.3	92.0	92.5
Change from preceding month (%)	1.5	2.6	3.6	2.7	1.6	1.9	0.6
Trend adjusted index	83.6	86.1	89.6	92.3	94.2	96.4	97.3
Change from preceding month (%)	1.9	3.0	4.0	3.1	2.1	2.3	1.0
<b>Components</b>							
Industrial production index(2006=100)	77.8	85.0	90.6	92.1	96.7	97.5	97.2
Electric power consumption (billion kWh)	10.74	9.62	9.78	9.22	10.30	10.65	10.00
Real manufacturing sales (NT\$ billion)	606.8	642.8	678.8	674.9	722.2	727.9	728.0 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	96.7	97.0	100.3	100.5	104.3	105.4	104.8
Nonagricultural employment (1,000)	9,725	9,714	9,712	9,712	9,719	9,701	9,697
Real customs-cleared exports (NT\$ billion)	484.7	545.4	533.7	572.9	597.0	607.1	625.2
Real machineries and electrical equipments imports (NT\$ billion)	145.6	148.8	157.2	158.6	178.4	169.7	173.0

Note : p: Preliminary.

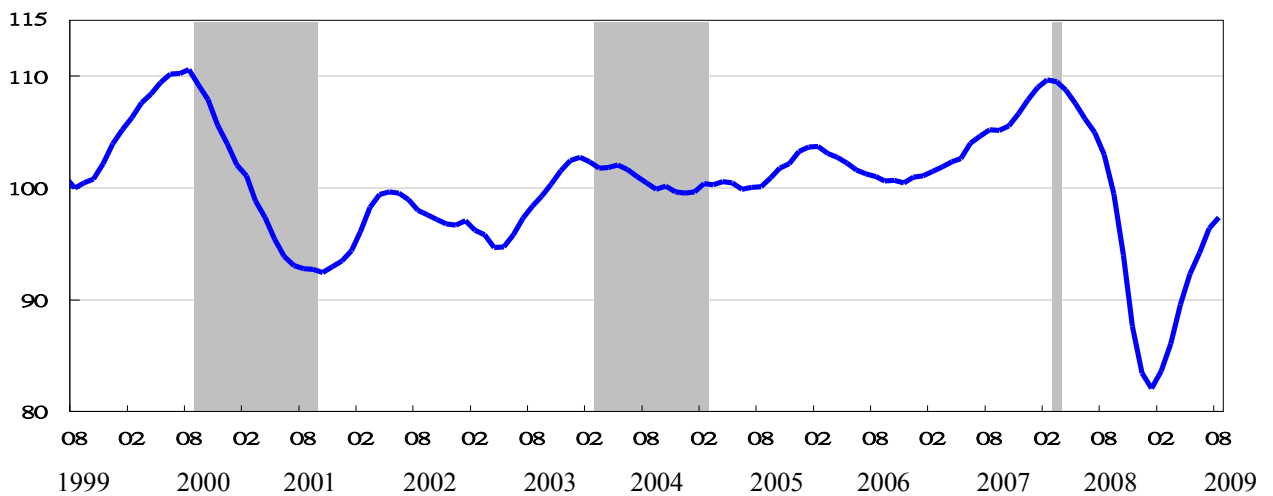
## Composite Indices of Cyclical Indicators



## Annualized 6-month rate of change of composite leading index



## Trend-adjusted composite coincident index



Shaded areas represent recessions.

## Monitoring Indications

		2008					2009								
		8	9	10	11	12	1	2	3	4	5	6	7	8	
Total	Light														
	Score	18	12	12	11	9	9	10	10	11	12	17	18	18	
Monetary Aggregates M1B															21.9
Direct and Indirect Finance															0.6
Stock Price Index														-3.0	
Industrial Production Index															-11.9
Nonagricultural Employment															-2.0
Exports															-20.9
Imports of Machinery and Electrical Equipment															-13.3
Manufacturing Sales															-17.6 <sub>1</sub>
Wholesale, Retail and Food Services Sales															6.8

● 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.