

## Taiwan Business Indicators in December 2009

Press Release

Council for Economic Planning and Development

January 27, 2010

In December 2009, Taiwan Business Indicators indicated that economic conditions have generally improved modestly. 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 1.1 points, the trend-adjusted coincident index rose by 2.2% from the previous month, and the overall monitoring indicator flashed the "yellow-red" signal.

1. **Leading Indicators:** With revised data, the leading index stood at 104.6, up by 0.8% from November. Its annualized six-month rate of change decreased, down by 1.1 points to 19.9%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, index of producer's inventory, and real monetary aggregates M1B had negative cyclical movements from previous month. Average monthly overtime in industry and services, the index of export orders, building permits, and stock price index had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 104.8, up by 2.0% from November. Its trend-adjusted index rose for the eleventh consecutive month, up by 2.2% to 106.4. Except for sales index of wholesale, retail, and food services, all coincident indicators contributed positively to the trend-adjusted index, led mainly by large increase of the cyclical movements in industrial production index, real manufacturing sales, real machineries and electrical equipments imports, and real customs-cleared exports.
3. **The Monitoring Indicators:** The total score recorded 37 in December, the same level of previous month. The overall light signal flashed the "yellow-red" signal for the second consecutive month. The light signals for all the nine components remained unchanged.

**~~ The next release is scheduled for March 2, 2010 ~~**

## Leading Indicators

Seasonally adjusted

	2009						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Composite Index</b>	96.2	99.2	100.9	102.3	102.8	103.7	104.6
Change from preceding month (%)	2.3	3.2	1.7	1.4	0.5	0.9	0.8
Annualized 6-month rate of change (%)	8.0	15.6	19.2	21.6	21.0	21.1	19.9
Change from preceding month (point)	6.0	7.5	3.7	2.4	-0.6	0.0	-1.1
<b>Components</b>							
Index of export orders (2006=100)	122.0	119.2	118.2	122.6	124.6	129.4	131.8
Real monetary aggregates M1B (NT\$ billion)	8,979	9,130	9,276	9,416	9,640	9,865	9,868
Stock price index(1966=100)	6,496	6,835	6,856	7,321	7,589	7,612	7,837
Index of producer's Inventory (2006=100)	101.6	100.3	100.8	102.2	102.5	103.1	103.7 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	6.1	6.7	7.5	7.5	7.6	7.9	8.1 <sub>p</sub>
Building Permits * (1,000m2)	1,016	1,247	1,488	1,415	1,795	1,419	1,805
SEMI Book-to-Bill Ratio	0.80	1.06	1.06	1.17	1.09	1.06	1.03

Note : 1.p=Preliminary.

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

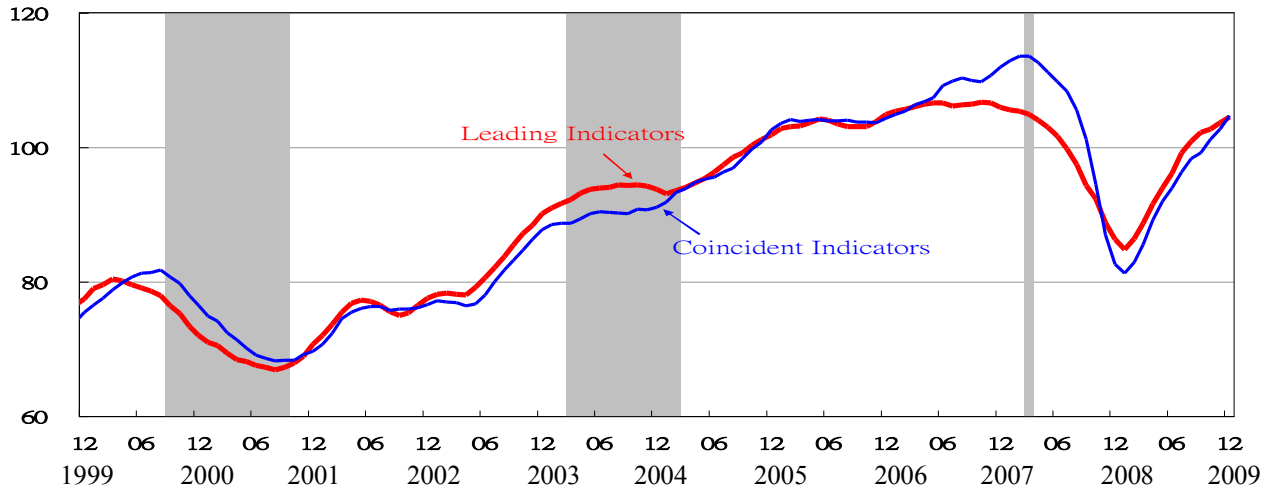
## Coincident Indicators

Seasonally adjusted

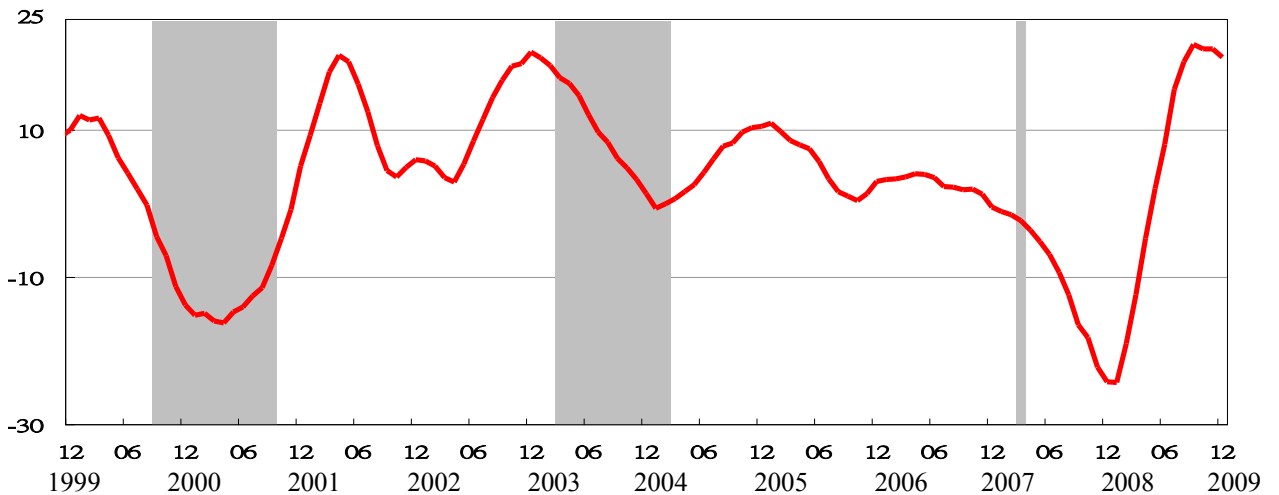
	2009						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Composite Index</b>	94.0	96.3	98.4	99.2	101.3	102.8	104.8
Change from preceding month (%)	2.1	2.5	2.1	0.8	2.0	1.5	2.0
Trend adjusted index	94.2	96.8	99.1	100.1	102.4	104.1	106.4
Change from preceding month (%)	2.3	2.7	2.4	1.0	2.3	1.7	2.2
<b>Components</b>							
Industrial production index(2006=100)	96.7	97.5	97.3	104.2	104.1	110.9	116.7
Electric power consumption (billion kWh)	10.41	10.66	10.09	10.77	10.69	10.03	10.75
Real manufacturing sales (NT\$ billion)	722.9	729.8	734.6	750.5	746.2	766.6	766.6 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	104.7	106.0	104.7	106.8	106.5	107.3	106.7
Nonagricultural employment (1,000)	9,725	9,707	9,706	9,735	9,754	9,781	9,804
Real customs-cleared exports (NT\$ billion)	599.0	608.9	628.2	646.2	653.1	641.1	655.1
Real machineries and electrical equipments imports (NT\$ billion)	181.4	173.1	178.3	192.9	207.1	221.2	226.5

Note : p: Preliminary.

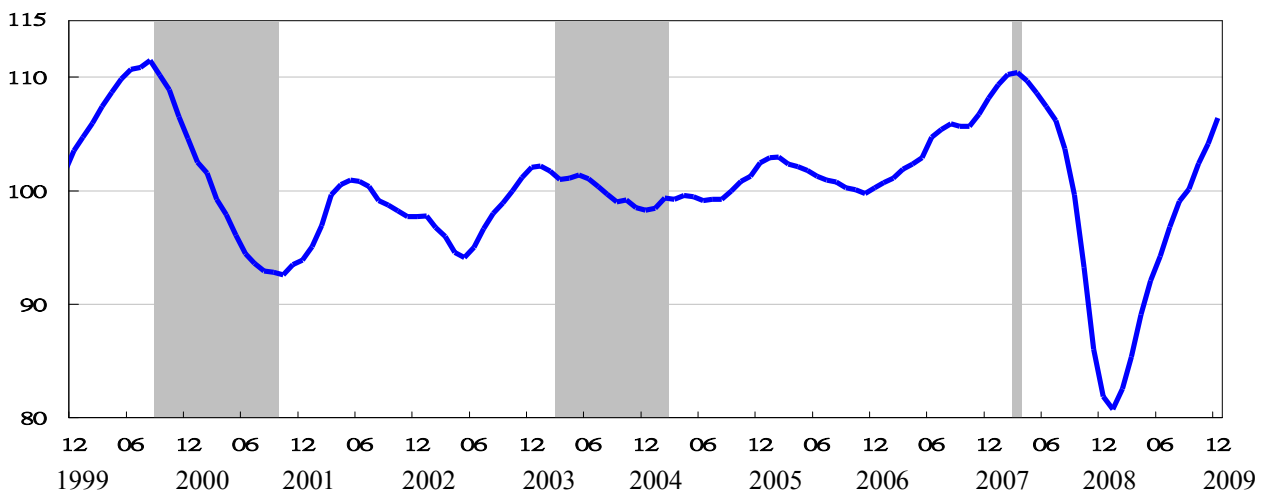
## Composite Indices of Cyclical Indicators



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



## Trend-adjusted composite coincident index



Shaded areas represent recessions.

## Monitoring Indicators

	2008	2009												
		12	1	2	3	4	5	6	7	8	9	10	11	
Total	Light													
	Score	9	9	10	10	11	12	17	18	18	20	26	37	37
Monetary Aggregates M1B														30.7
Direct and Indirect Finance														1.5
Stock Price Index														74.3
Industrial Production Index														50.0
Nonagricultural Employment														0.2
Exports														43.3
Imports of Machinery and Electrical Equipment														53.9
Manufacturing Sales														38.9 <sub>T</sub>
Wholesale, Retail and Food Services Sales														16.9

● 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.