

Taiwan Business Indicators in December 2015

Press Release

National Development Council (NDC)

January 27, 2016

In December 2015, the Taiwan Business Indicators showed the economic recovery to remain on the slower track. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.098%, the trend-adjusted coincident index increased by 0.03% from the previous month, and the overall monitoring indicator flashed the "blue" signal.

1. The Monitoring Indicators: The total score in December decreased by one point to 14, flashing the "blue" signal for the seventh month. Among the nine components, the imports of machineries and electrical equipments lost one point to change its individual light form "green" to "yellow-blue". The light signal for the rest of eight components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 98.27, down by 0.098% from November 2015. Among the seven indicators making up the trend-adjusted index, the index of export orders, net accession rate of employees on payrolls of industry and services, and real monetary aggregates M1B had positive cyclical movements from the previous month, while TAIEX average closing price, SEMI book-to-bill ratio, building permits, and the TIER manufacturing sector composite indicator had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 98.54, up by 0.03% from November 2015. Among the seven indicators making up the trend-adjusted index, electric power consumption, and sales of trade and food services had positive cyclical movements from the previous month, while real machineries and electrical equipments imports, nonagricultural employment, the industrial production index, real customs-cleared exports, and the index of producer's shipment for manufacturing had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 99.24, down by 0.54% from November 2015. Among the six indicators making up the trend-adjusted index, the unemployment rate (inverted), the manufacturing unit output labor cost index, the inventories to sales ratio for manufacturing, regular employees on payrolls in industry and services, the interbank overnight call-loan rate, and loans and investments of monetary financial institutions had negative cyclical movements.

~~ The next release is scheduled for March 2 2016 ~~

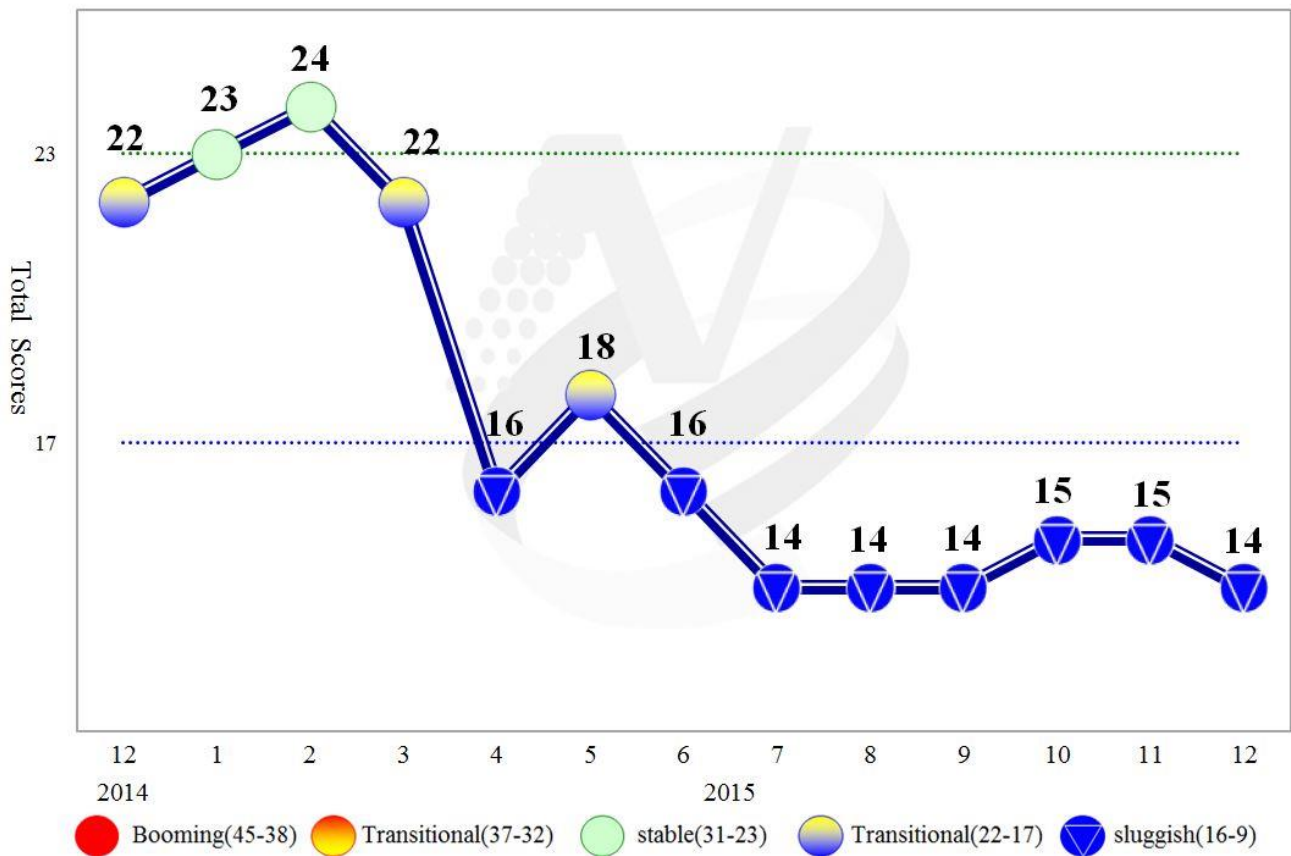


Figure 1 Total Scores in the Past Year

	2014	2015												
	12	1	2	3	4	5	6	7	8	9	10	11	12	
Total	Light Score	22	23	24	22	16	18	16	14	14	14	15	15	14
Monetary Aggregates M1B													6.7	6.3
TAIEX Average Closing Price													-5.7	-8.9
Industrial Production Index													-6.2	-6.9
Nonagricultural Employment													0.9	0.8
Customs-Cleared Exports													-11.7 _r	-8.9
Imports of Machineries and Electrical Equipments													0.3	-7.0
Index of producer's shipment for manufacturing													-3.8 _r	-5.0 _p
Sales of Trade and Food Services													-2.7 _r	-4.3
The TIER Manufacturing Sector Composite Indicator													91.03 _r	90.95

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

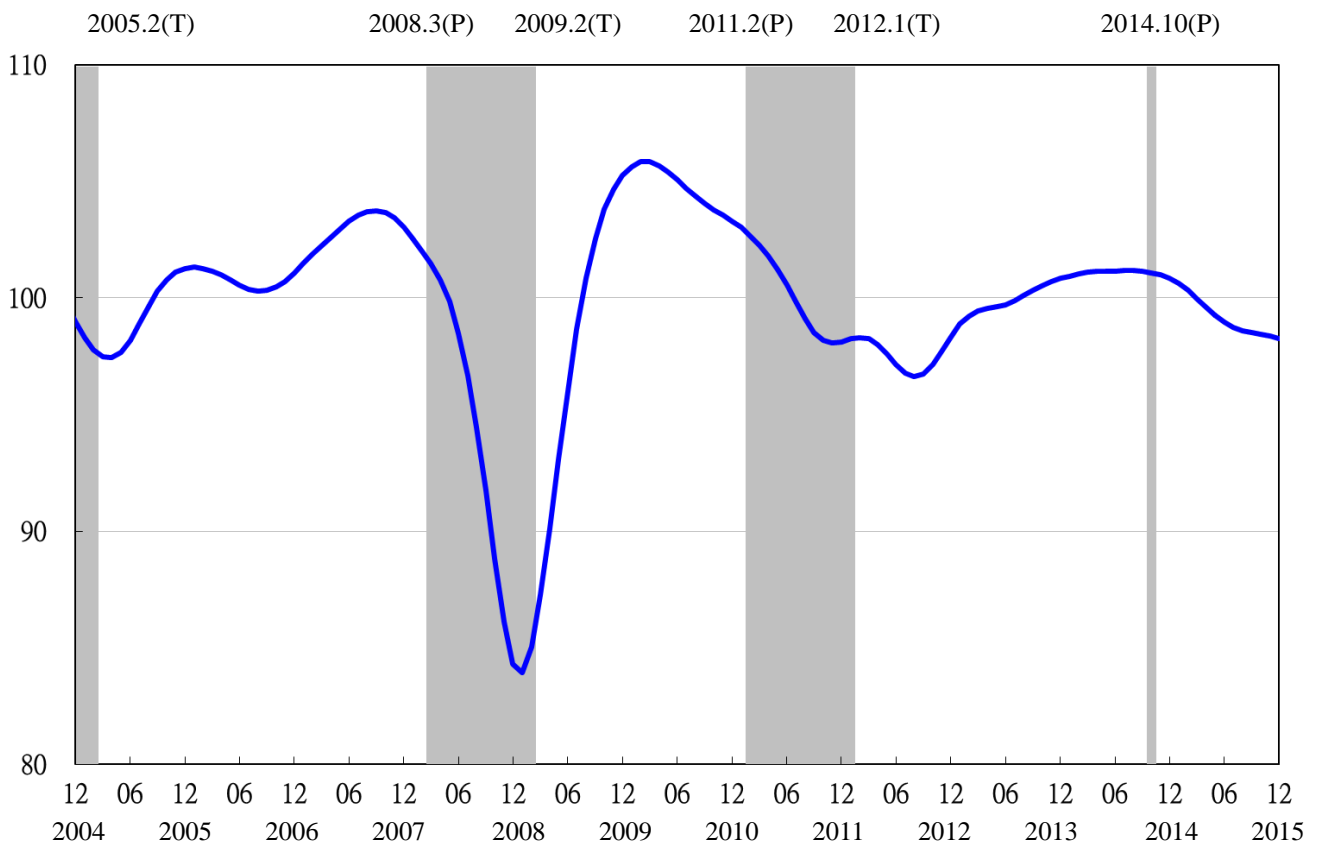
Index

	2015						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trend adjusted index	98.97	98.72	98.58	98.51	98.45	98.36	98.27
Change from preceding month (%)	-0.29	-0.25	-0.14	-0.07	-0.07	-0.09	-0.098
Components¹							
Index of export orders	99.24	99.35	99.66	100.02	100.27	100.37	100.42
Real monetary aggregates M1B	100.10	100.09	100.09	100.10	100.10	100.109	100.114
TAIEX average closing price	100.15	99.93	99.72	99.54	99.41	99.30	99.19
Net accession rate of employees on payrolls of industry and services ²	99.90	99.85	99.82	99.80	99.81	99.83	99.86
Building permits ³	99.60	99.57	99.46	99.34	99.25	99.20	99.17
SEMI Book-to-Bill Ratio	100.02	99.99	99.96	99.88	99.78	99.67	99.57
The TIER manufacturing sector composite indicator	99.62	99.42	99.26	99.16	99.11	99.10	99.09

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						
	2015						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trend adjusted index	99.27	98.87	98.59	98.47	98.48	98.51	98.54
Change from preceding month (%)	-0.55	-0.41	-0.28	-0.12	0.02	0.03	0.03
Components							
Industrial production index	99.65	99.33	99.07	98.90	98.78	98.69	98.62
Electric power consumption	99.63	99.55	99.47	99.53	99.74	100.02	100.35
Index of producer's shipment for manufacturing	99.58	99.39	99.28	99.24	99.24	99.23	99.21
Sales of trade and food services	99.34	99.20	99.13	99.14	99.20	99.30	99.40
Nonagricultural employment	100.01	99.93	99.85	99.78	99.70	99.63	99.55
Real customs-cleared exports	99.51	99.43	99.39	99.37	99.34	99.27	99.20
Real machineries and electrical equipments imports	99.83	99.87	99.89	99.88	99.86	99.79	99.65

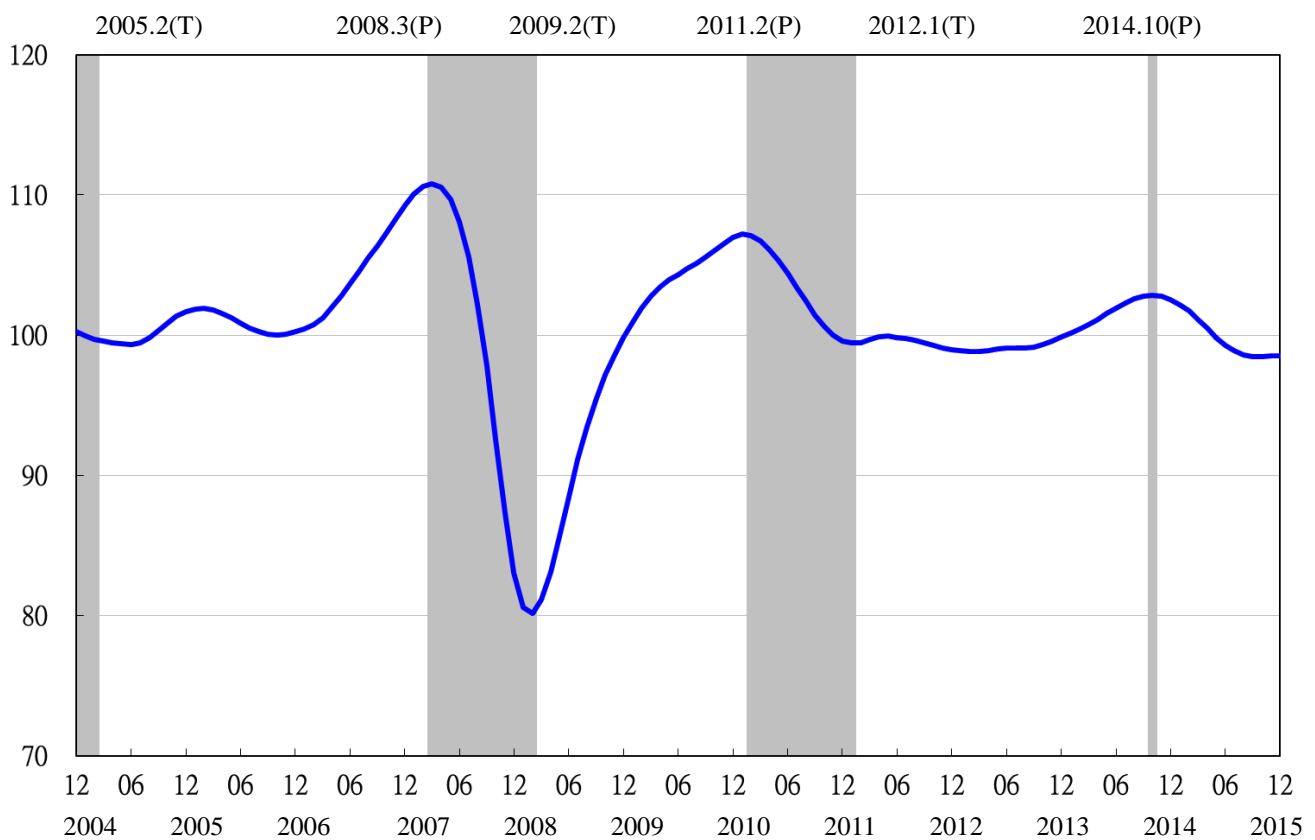


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2015						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trend adjusted index	101.23	101.21	101.05	100.72	100.28	99.78	99.24
Change from preceding month (%)	0.09	-0.02	-0.16	-0.32	-0.44	-0.50	-0.54
Components							
Unemployment rate	100.20	100.10	99.98	99.83	99.65	99.46	99.26
Regular employees on payrolls in industry & services	100.03	99.98	99.93	99.87	99.81	99.75	99.68
The manufacturing unit output labor cost index	100.62	100.68	100.68	100.59	100.46	100.29	100.07
Interbank overnight call-loan rate	100.02	100.00	99.97	99.93	99.89	99.85	99.81
Loans and investments of monetary financial institutions	99.84	99.83	99.85	99.86	99.86	99.85	99.84
Inventories to sales ratio for manufacturing	100.75	100.84	100.84	100.77	100.66	100.55	100.44

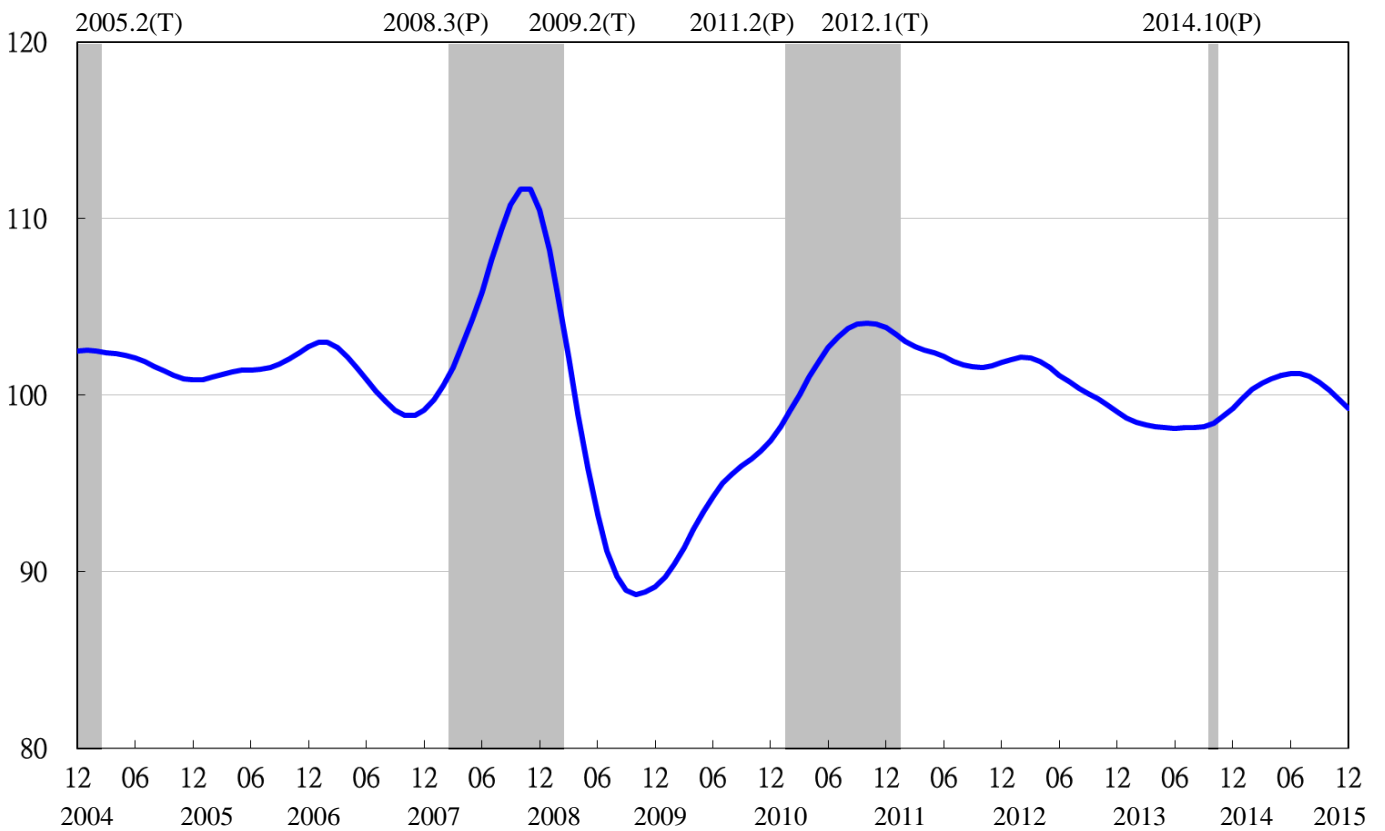


Figure 5 Trend-adjusted Lagging Index