

Taiwan Business Indicators in January 2016

Press Release

National Development Council (NDC)

March 2, 2016

In January 2016, 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 0.22%, the trend-adjusted coincident index decreased by 0.11% from the previous month, and the overall monitoring indicator flashed the "blue" signal.

1. The Monitoring Indicators: The total score recorded 14 in January 2016, the same level of previous month, flashing the "blue" signal for the eighth month. The light signal for all the nine components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 98.04, down by 0.22% from December 2015. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, building permits, net accession rate of employees on payrolls of industry and services, the TIER manufacturing sector composite indicator, and real monetary aggregates M1B had positive cyclical movements from the previous month, while the index of export orders, and TAIEX average closing price had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 98.31, down by 0.11% from December 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 customs-cleared exports, real machineries and electrical equipments imports, nonagricultural employment, the index of producer's shipment for manufacturing, and the industrial production index had negative cyclical movements.
4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 98.37, down by 0.68% from December 2015. Among the six indicators making up the trend-adjusted index, the

manufacturing unit output labor cost index, the unemployment rate (inverted), loans and investments of monetary financial institutions, regular employees on payrolls in industry and services, the inventories to sales ratio for manufacturing, and the interbank overnight call-loan rate had negative cyclical movements.

~~ The next release is scheduled for March 28 2016 ~~

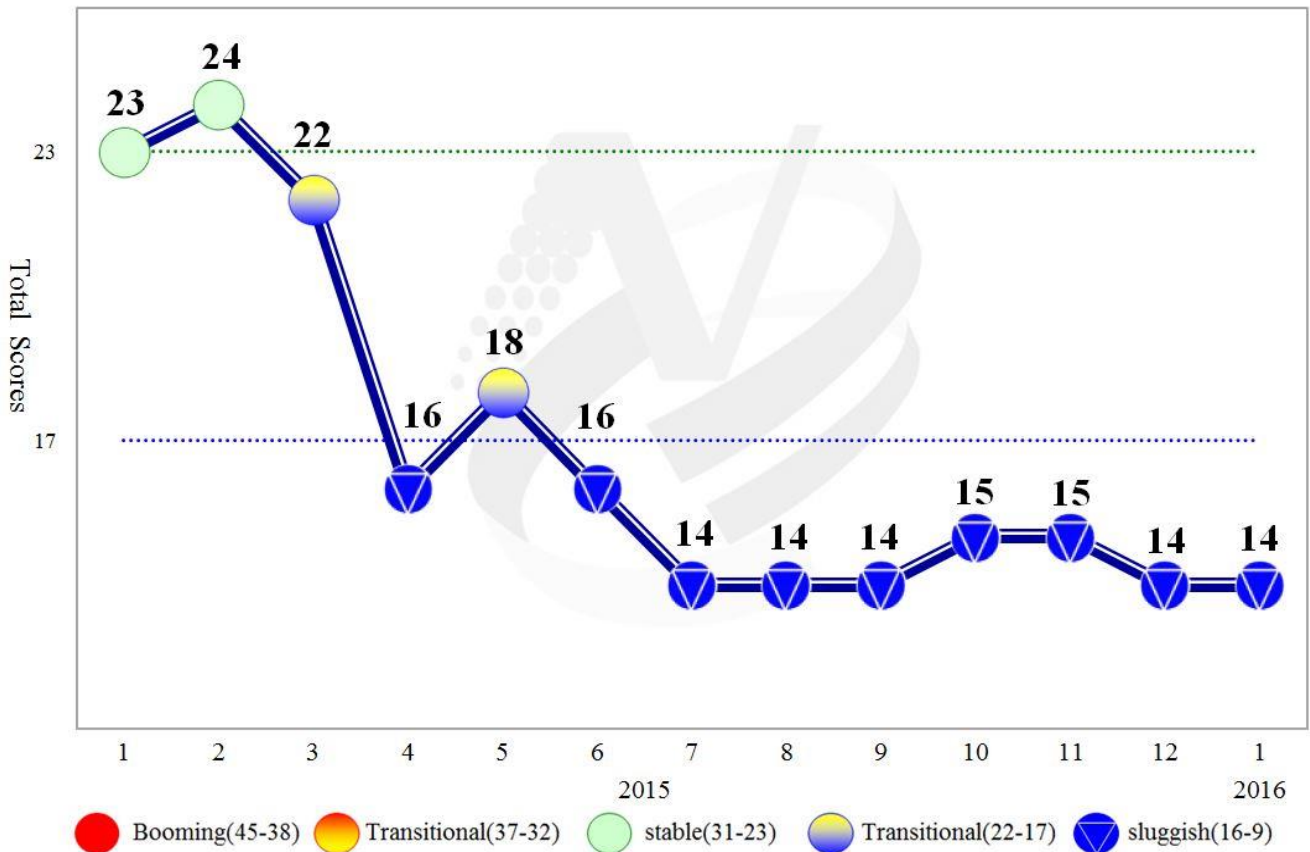


Figure 1 Total Scores in the Past Year

		2015												2016	
		1	2	3	4	5	6	7	8	9	10	11	12	1	
Total	Light	●	●	●	▼	●	▼	▼	▼	▼	▼	▼	▼	▼	
	Score	23	24	22	16	18	16	14	14	14	15	15	14	14	
Monetary Aggregates M1B		●	●	●	●	●	●	●	●	●	●	●	6.4	●	6.7
TAIEX Average Closing Price		●	●	●	●	●	●	●	●	●	●	●	-8.9	●	-15.2
Industrial Production Index		●	●	●	●	▼	▼	▼	▼	▼	▼	▼	-6.7 _r	▼	-3.9
Nonagricultural Employment		●	●	●	●	●	●	●	●	●	●	●	0.8	●	0.8
Customs-Cleared Exports		●	●	▼	▼	▼	▼	▼	▼	▼	▼	▼	-9.0 _r	▼	-10.1
Imports of Machineries and Electrical Equipments		●	●	●	●	●	●	●	●	●	●	●	-4.6 _r	●	-5.3
Index of producer's shipment for manufacturing		●	●	●	▼	▼	▼	▼	▼	▼	▼	▼	-4.9 _r	▼	-5.5 _p
Sales of Trade and Food Services		▼	●	●	▼	▼	▼	▼	▼	▼	▼	▼	-4.3	▼	-2.1
The TIER Manufacturing Sector Composite Indicator		●	●	●	●	●	●	●	▼	▼	▼	▼	90.9	▼	90.8

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

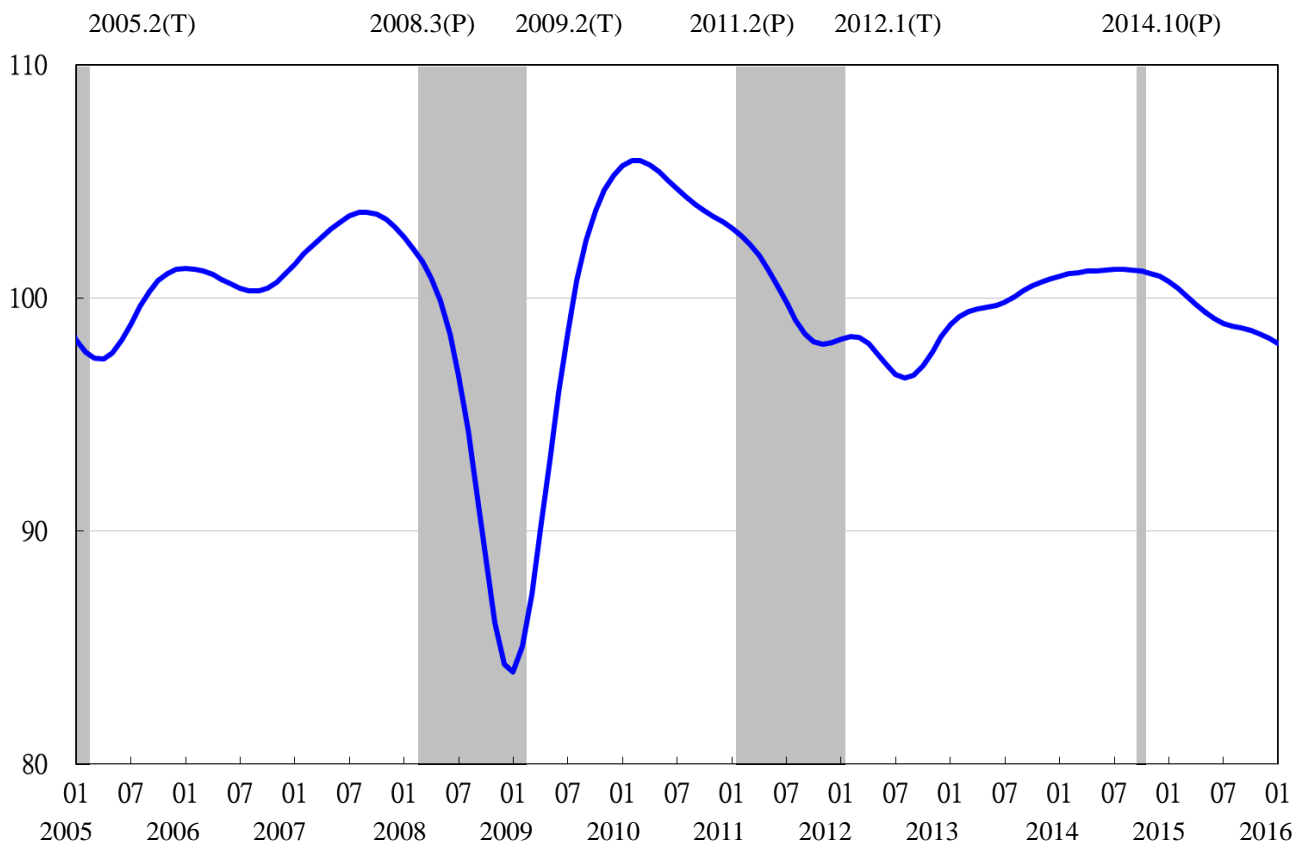
Table 1 Leading Indicators

	Index						
	2015						2016
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	98.89	98.77	98.69	98.59	98.44	98.26	98.04
Change from preceding month (%)	-0.22	-0.13	-0.07	-0.10	-0.15	-0.19	-0.22
Components¹							
Index of export orders	99.61	99.90	100.18	100.26	100.09	99.74	99.29
Real monetary aggregates M1B	100.08	100.08	100.09	100.09	100.10	100.11	100.12
TAIEX average closing price	100.03	99.82	99.64	99.50	99.37	99.22	99.07
Net accession rate of employees on payrolls of industry and services ²	99.86	99.83	99.82	99.83	99.87	99.90	99.94
Building permits ³	99.57	99.49	99.39	99.32	99.31	99.35	99.42
SEMI Book-to-Bill Ratio	99.91	99.88	99.85	99.82	99.83	99.89	100.00
The TIER manufacturing sector composite indicator	99.47	99.32	99.23	99.20	99.20	99.22	99.25

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						2016
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	98.76	98.53	98.45	98.50	98.49	98.42	98.31
Change from preceding month (%)	-0.37	-0.24	-0.08	0.05	-0.01	-0.07	-0.11
Components							
Industrial production index	99.40	99.21	99.09	99.02	98.98	98.94	98.90
Electric power consumption	99.59	99.51	99.53	99.67	99.83	100.01	100.18
Index of producer's shipment for manufacturing	99.42	99.34	99.32	99.34	99.33	99.30	99.25
Sales of trade and food services	99.02	98.98	99.02	99.12	99.25	99.37	99.49
Nonagricultural employment	99.98	99.91	99.83	99.75	99.66	99.57	99.48
Real customs-cleared exports	99.55	99.53	99.51	99.44	99.31	99.13	98.93
Real machineries and electrical equipments imports	99.80	99.79	99.81	99.85	99.82	99.70	99.57

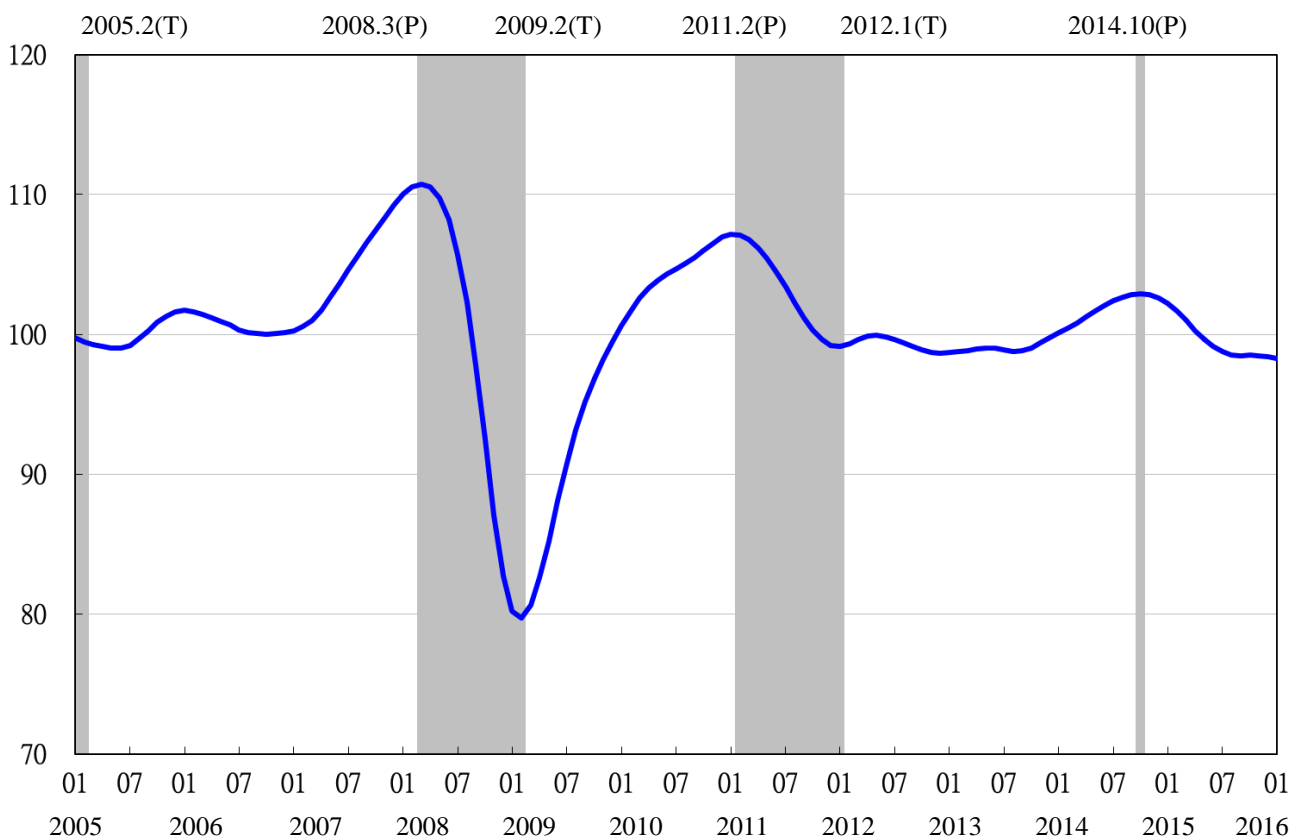


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2015						2016
	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Trend adjusted index	101.86	101.58	101.05	100.40	99.73	99.04	98.37
Change from preceding month (%)	0.04	-0.28	-0.52	-0.64	-0.67	-0.69	-0.68
Components							
Unemployment rate	100.12	100.00	99.85	99.69	99.52	99.34	99.16
Regular employees on payrolls in industry & services	100.02	99.96	99.90	99.84	99.77	99.71	99.64
The manufacturing unit output labor cost index	101.33	101.21	100.93	100.59	100.23	99.86	99.51
Interbank overnight call-loan rate	100.02	99.99	99.96	99.91	99.87	99.83	99.78
Loans and investments of monetary financial institutions	99.88	99.89	99.90	99.88	99.83	99.77	99.70
Inventories to sales ratio for manufacturing	100.82	100.80	100.70	100.56	100.45	100.38	100.31

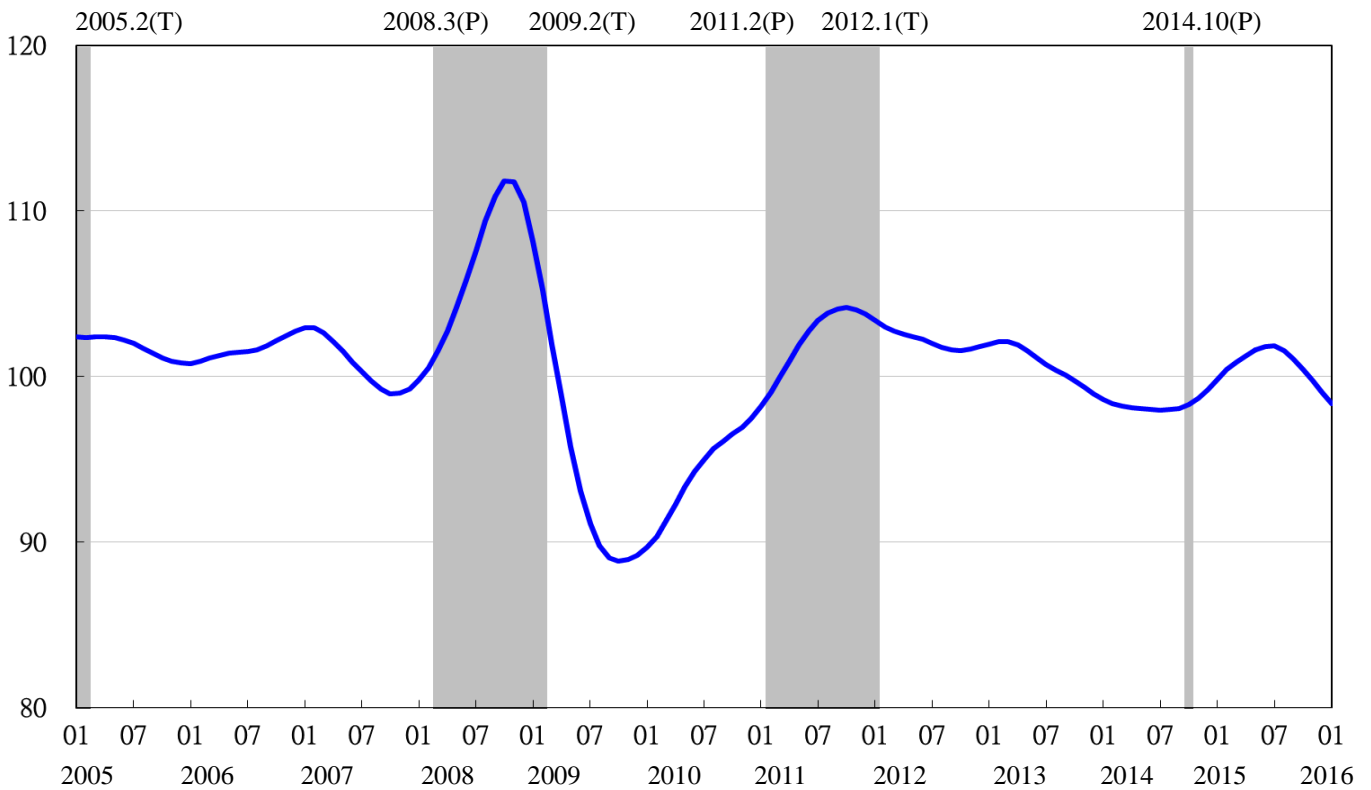


Figure 5 Trend-adjusted Lagging Index