

## Taiwan Business Indicators in March 2017

Press Release

National Development Council (NDC)

April 27, 2017

In March 2017, the Taiwan Business Indicators indicated that the economy continued its steady growth. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading and coincident index slightly decreased by 0.17% and 0.49% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. The Monitoring Indicators: The total score in March 2017 decreased by four points to 24, flashing the "green" signal for the ninth month. Among the nine components, the monetary aggregate M1B, the industrial production index, the index of producer's shipment for manufacturing, and the sales of trade and food services each lost one point to change its individual light from "green" to "yellow-blue". The light signal for the rest of five components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 101.53, down by 0.17% from February 2017. Among the seven indicators making up the trend-adjusted index, building permits, TAIEX average closing price, and net accession rate of employees on payrolls of industry and services had positive cyclical movements from the previous month, while real imports of semiconductor equipment<sup>1</sup>, the index of export orders, real monetary aggregates M1B, and the TIER manufacturing sector composite indicator had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 102.05, down by 0.49% from February 2017. Among seven indicators making up the trend-adjusted index, sales of trade and food services, and nonagricultural employment had positive cyclical movements, while real machineries and electrical equipments imports, electric power consumption, the industrial production index,

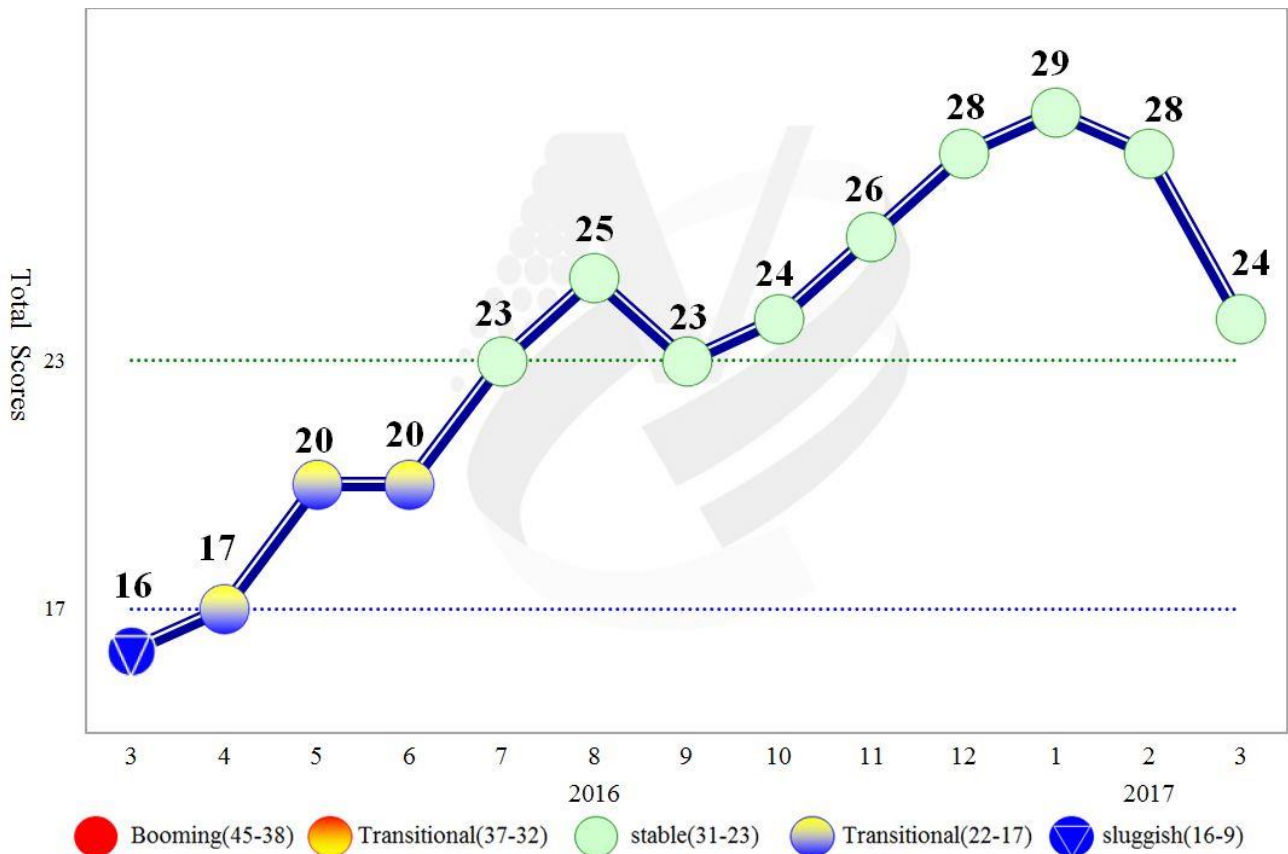
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<sup>1</sup> SEMI ceased publishing the monthly North America Book-to-Bill report in January 2017. The NDC replaced SEMI Book-to-Bill Ratio with real imports of semiconductor equipment since February 2017.

the index of producer's shipment for manufacturing, and real customs-cleared exports had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 99.85, up by 0.57% from February 2017. All six indicators making up the trend-adjusted index had positive cyclical movements, which were the inventories to sales ratio for manufacturing, the manufacturing unit output labor cost index, regular employees on payrolls in industry and services, the unemployment rate (inverted), loans and investments of monetary financial institutions, and the interbank overnight call-loan rate.

**~~ Next publication date: May 26 2017 ~~**



**Figure 1 Total Scores in the Past Year**

	2016												2017		
	3	4	5	6	7	8	9	10	11	12	1	2	3		
Total	Light	▼	●	●	●	●	●	●	●	●	●	●	●		
	Score	16	17	20	20	23	25	23	24	26	28	29	28	24	
Monetary Aggregates M1B	●	●	●	●	●	●	●	●	●	●	●	6.5	4.9		
TAIEX Average Closing Price	●	●	●	●	●	●	●	●	●	●	●	17.3	12.8		
Industrial Production Index	▼	▼	●	●	●	●	●	●	●	●	●	3.9 <sub>r</sub>	2.7		
Nonagricultural Employment	●	●	●	●	●	●	●	●	●	●	●	0.65	0.70		
Customs-Cleared Exports	▼	▼	▼	●	●	●	▼	●	●	●	●	11.1 <sub>r</sub>	7.0		
Imports of Machineries and Electrical Equipments	●	●	●	●	●	●	●	●	●	●	●	11.2 <sub>r</sub>	14.5		
Index of producer's shipment for manufacturing	▼	▼	●	●	●	●	▼	●	●	●	●	4.8 <sub>r</sub>	0.7 <sub>p</sub>		
Sales of Trade and Food Services	▼	▼	▼	▼	●	●	●	●	●	●	●	5.2	4.3		
The TIER Manufacturing Sector Composite Indicator	●	●	●	●	●	●	●	●	●	●	●	98.2 <sub>r</sub>	98.3		

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

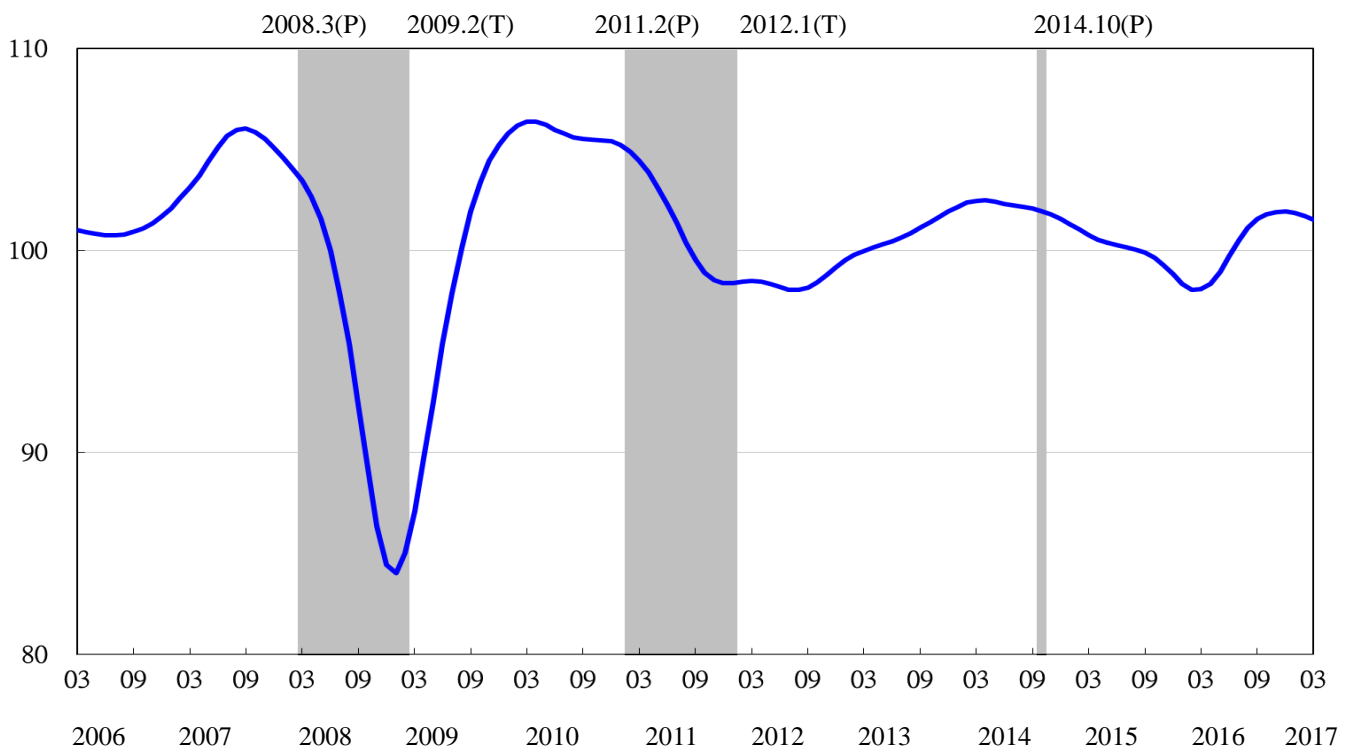
	2016				2017		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Trend adjusted index</b>	101.54	101.77	101.88	101.91	101.85	101.70	101.53
Change from preceding month (%)	0.42	0.23	0.10	0.03	-0.06	-0.15	-0.17
<b>Components<sup>1</sup></b>							
Index of export orders	100.47	100.56	100.51	100.37	100.19	99.97	99.74
Real monetary aggregates M1B	100.07	100.03	99.96	99.87	99.77	99.66	99.54
TAIEX average closing price	99.98	100.06	100.13	100.20	100.29	100.39	100.49
Net accession rate of employees on payrolls of industry and services <sup>2</sup>	99.96	100.09	100.22	100.35	100.43	100.46	100.47
Building permits <sup>3</sup>	99.93	99.88	99.90	100.04	100.26	100.49	100.74
Real imports of semiconductor equipment <sup>4</sup>	100.77	100.90	100.92	100.84	100.67	100.44	100.19
The TIER manufacturing sector composite indicator	100.38	100.44	100.50	100.52	100.50	100.43	100.36

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.

4. SEMI ceased publishing the monthly North America Book-to-Bill report in January 2017. The NDC replaced SEMI Book-to-Bill Ratio with real imports of semiconductor equipment since February 2017.

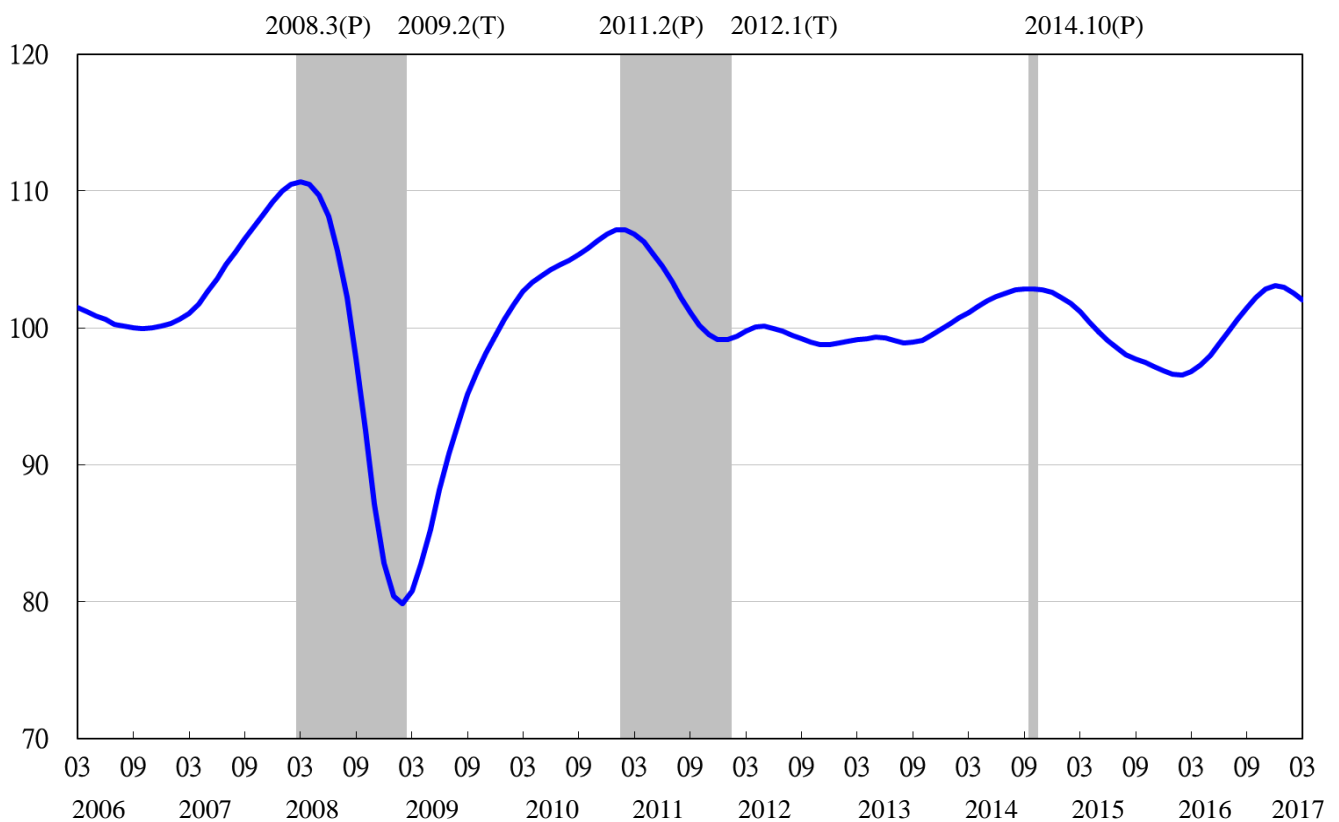


Note: Shaded areas represent recessions.

**Figure 3 Trend-adjusted Leading Index**

**Table 2 Coincident Indicators**

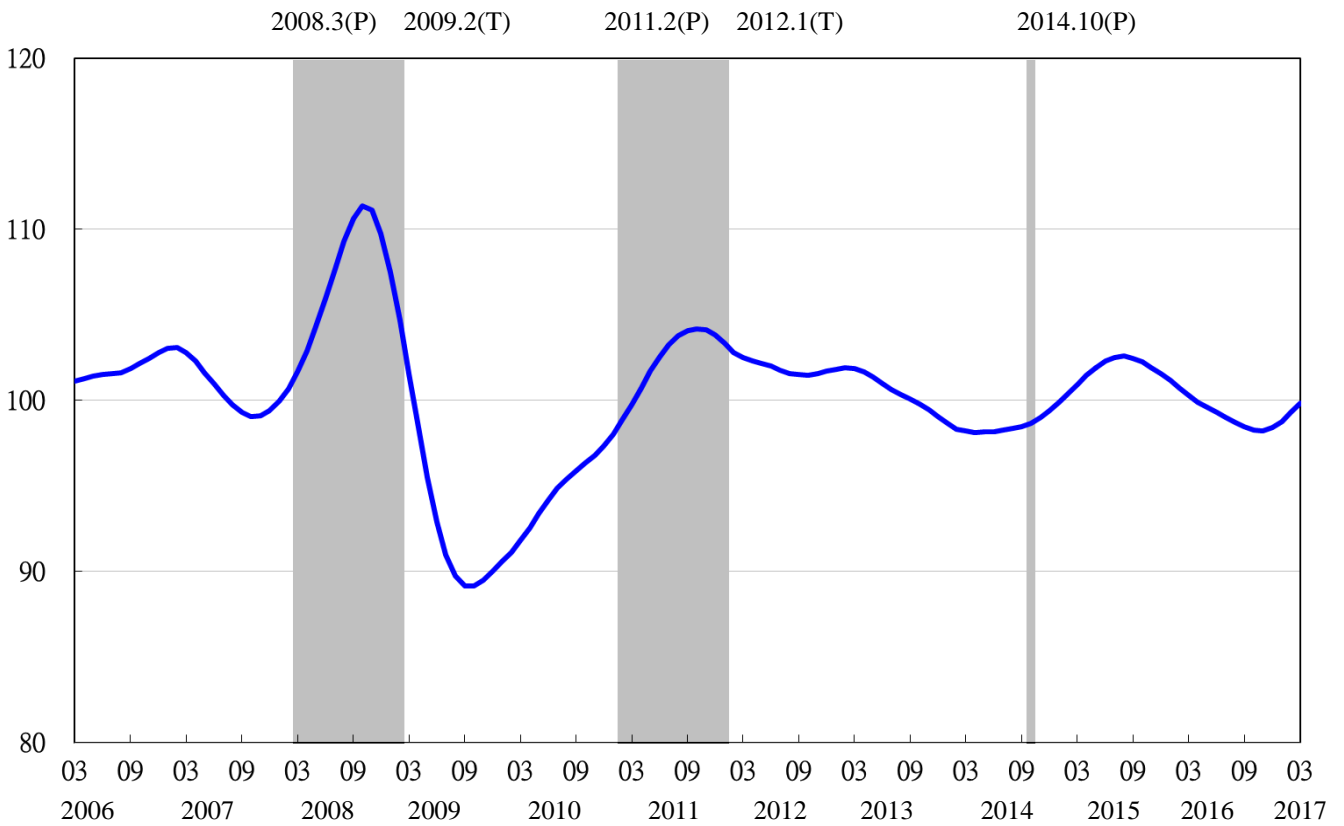
	Index						
	2016				2017		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Trend adjusted index</b>	101.47	102.25	102.83	103.10	102.98	102.55	102.05
Change from preceding month (%)	0.83	0.76	0.57	0.26	-0.12	-0.41	-0.49
<b>Components</b>							
Industrial production index	100.34	100.53	100.67	100.73	100.67	100.48	100.25
Electric power consumption	100.45	100.74	100.98	101.13	101.08	100.84	100.57
Index of producer's shipment for manufacturing	100.25	100.47	100.66	100.76	100.75	100.62	100.46
Sales of trade and food services	100.21	100.53	100.79	100.92	100.97	101.00	101.03
Nonagricultural employment	99.69	99.71	99.74	99.77	99.80	99.82	99.84
Real customs-cleared exports	100.31	100.57	100.81	100.97	101.05	101.05	101.01
Real machineries and electrical equipments imports	101.32	101.67	101.82	101.76	101.47	101.07	100.65



**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	Index						
	2016				2017		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Trend adjusted index</b>	98.44	98.26	98.23	98.41	98.77	99.29	99.85
Change from preceding month (%)	-0.27	-0.19	-0.03	0.18	0.37	0.52	0.57
<b>Components</b>							
Unemployment rate	99.69	99.79	99.88	99.96	100.01	100.06	100.10
Regular employees on payrolls in industry & services	99.76	99.76	99.78	99.81	99.85	99.90	99.95
The manufacturing unit output labor cost index	99.73	99.43	99.22	99.13	99.15	99.27	99.44
Interbank overnight call-loan rate	99.92	99.94	99.95	99.97	99.99	100.00	100.02
Loans and investments of monetary financial institutions	99.87	99.87	99.87	99.88	99.89	99.91	99.93
Inventories to sales ratio for manufacturing	99.18	99.14	99.18	99.35	99.64	100.00	100.38



**Figure 5 Trend-adjusted Lagging Index**