

# Taiwan Business Indicators in February 2017

Press Release

National Development Council (NDC)

March 27, 2017

In February 2017, the Taiwan Business Indicators showed some scattered signs of economic improvement. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading and coincident index decreased by 0.10% and 0.11% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. **The Monitoring Indicators:** The total score in February 2017 decreased by one point to 28, flashing the "green" signal for the eighth month. Among the nine components, the monetary aggregate M1B and the sales of trade and food services each gained one point to change its individual light from "yellow-blue" to "green". Meanwhile, the industrial production index lost two points to change its individual light from "red" to "green", the index of producer's shipment for manufacturing lost one point to change its individual light from "yellow-red" to "green". The light signal for the rest of five components remained unchanged.
2. **Leading Indicators:** With revised data, the trend-adjusted leading index stood at 101.88, down by 0.10% from January 2017. Among the seven indicators making up the trend-adjusted index, building permits and TAIEX average closing price had positive cyclical movements from the previous month, while the index of export orders, real imports of semiconductor equipment<sup>1</sup>, real monetary aggregates M1B, net accession rate of employees on payrolls of industry and services, and the TIER manufacturing sector composite indicator had negative cyclical movements.
3. **Coincident Indicators:** With revised data, the trend-adjusted coincident index stood at 103.35, down by 0.11% from January 2017. Among seven indicators making up the trend-adjusted index, real customs-cleared exports, nonagricultural employment, and the index of producer's shipment for manufacturing had positive cyclical

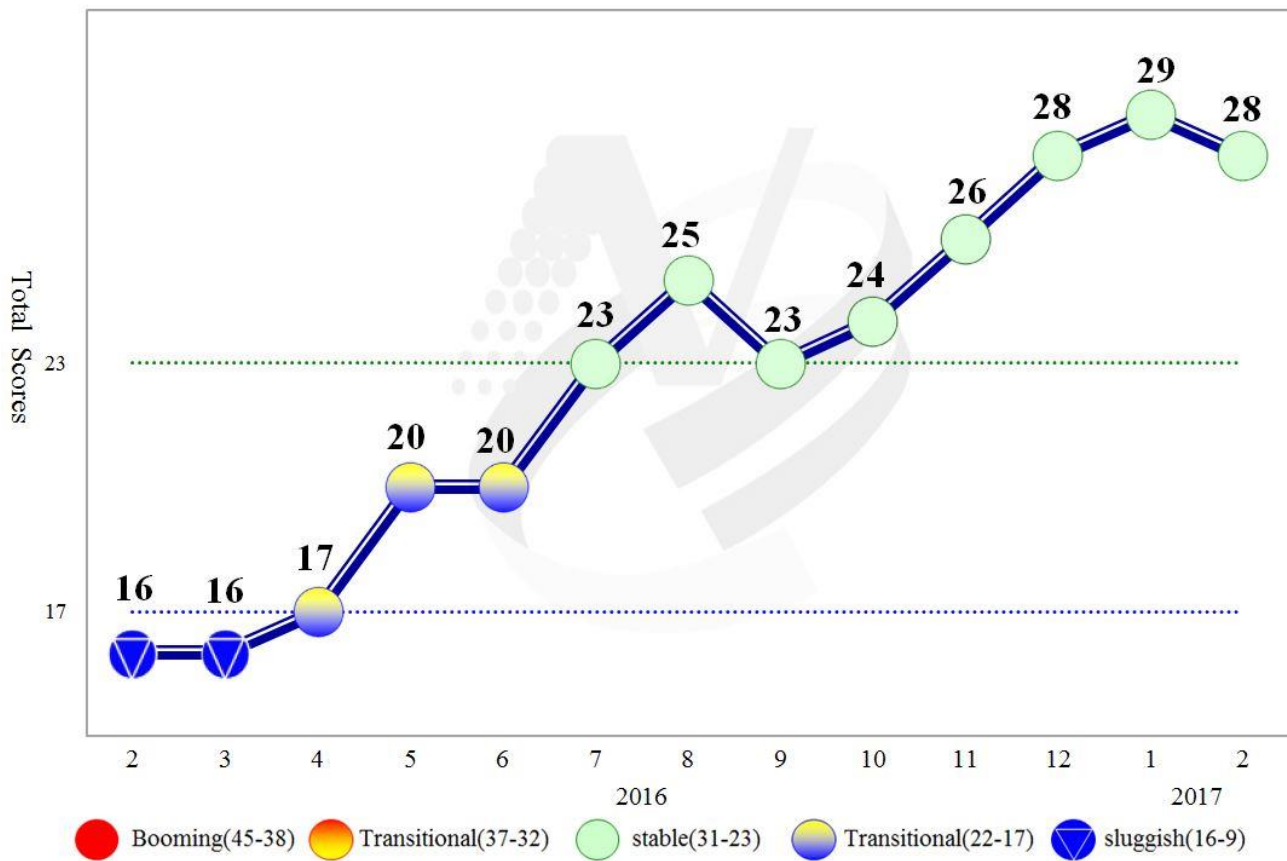
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<sup>1</sup> SEMI ceased publishing the monthly North America Book-to-Bill report in January 2017. The NDC replaced SEMI Book-to-Bill Ratio with real imports of semiconductor equipment since February 2017.

movements, while real machineries and electrical equipments imports, electric power consumption, the industrial production index, and sales of trade and food services had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 98.66, up by 0.35% from January 2017. Among the six indicators making up the trend-adjusted index, the inventories to sales ratio for manufacturing, the unemployment rate (inverted), regular employees on payrolls in industry and services, the interbank overnight call-loan rate, and loans and investments of monetary financial institutions had positive cyclical movements from the previous month, while the manufacturing unit output labor cost index had negative cyclical movement.

**~~ Next publication date: April 27 2017 ~~**



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

	2016												2017	
	2	3	4	5	6	7	8	9	10	11	12	1	2	
Total	Light	▼	▼	●	●	●	●	●	●	●	●	●	●	
	Score	16	16	17	20	20	23	25	23	24	26	28	29	28
Monetary Aggregates M1B	●	●	●	●	●	●	●	●	●	●	●	●	●	
TAIEX Average Closing Price	●	●	●	●	●	●	●	●	●	●	●	●	●	
Industrial Production Index	▼	▼	▼	●	●	●	●	●	●	●	●	●	●	
Nonagricultural Employment	●	●	●	●	●	●	●	●	●	●	●	●	●	
Customs-Cleared Exports	▼	▼	▼	▼	●	●	●	▼	●	●	●	●	●	
Imports of Machineries and Electrical Equipments	●	●	●	●	●	●	●	●	●	●	●	●	●	
Index of producer's shipment for manufacturing	▼	▼	▼	●	●	●	●	▼	●	●	●	●	●	
Sales of Trade and Food Services	▼	▼	▼	▼	●	●	●	●	●	●	●	●	●	
The TIER Manufacturing Sector Composite Indicator	●	●	●	●	●	●	●	●	●	●	●	●	●	

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**

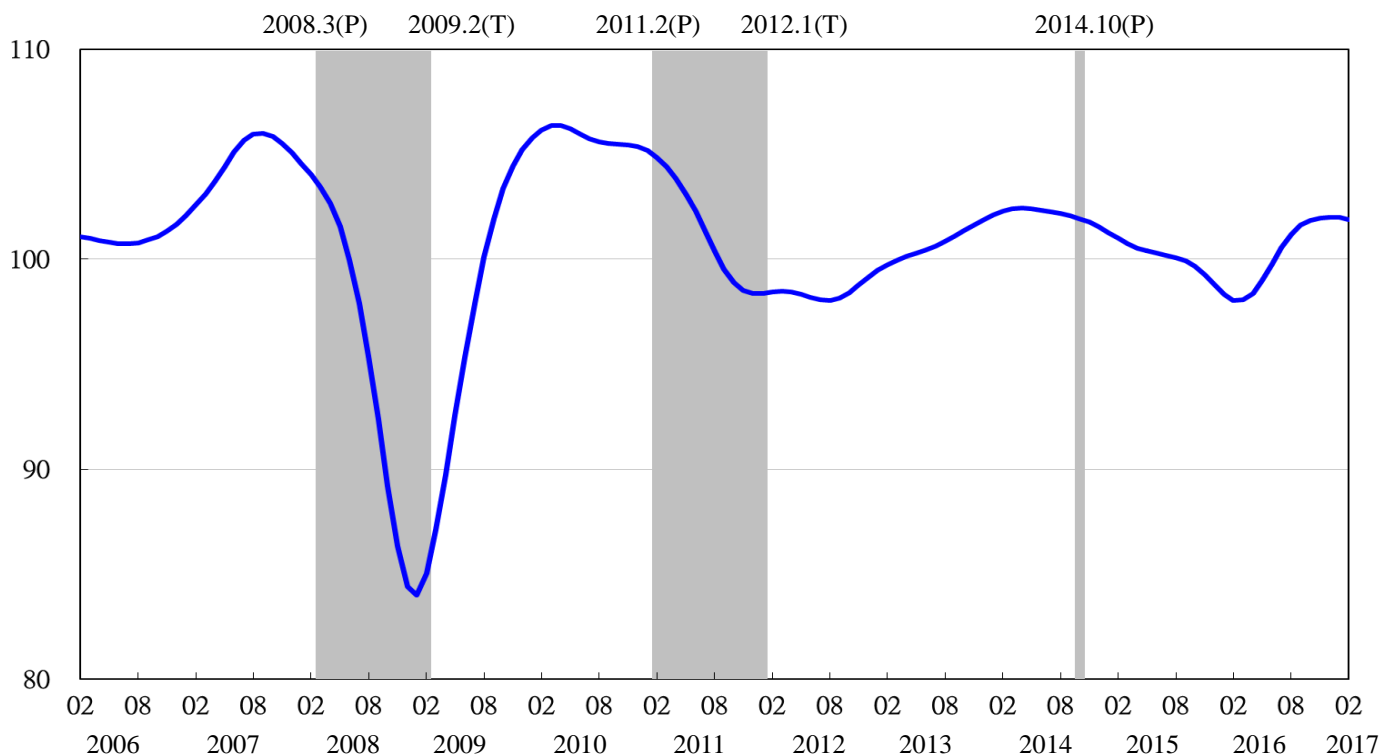
	Index						
	2016					2017	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Trend adjusted index</b>	101.20	101.62	101.85	101.96	102.00	101.98	101.88
Change from preceding month (%)	0.63	0.42	0.22	0.11	0.04	-0.02	-0.10
<b>Components<sup>1</sup></b>							
Index of export orders	100.19	100.42	100.51	100.48	100.36	100.21	100.04
Real monetary aggregates M1B	100.04	100.03	99.99	99.92	99.82	99.72	99.61
TAIEX average closing price	99.94	100.03	100.11	100.18	100.25	100.33	100.42
Net accession rate of employees on payrolls of industry and services <sup>2</sup>	99.98	100.09	100.20	100.30	100.37	100.40	100.36
Building permits <sup>3</sup>	99.99	100.02	99.97	99.98	100.10	100.29	100.47
Real imports of semiconductor equipment <sup>4</sup>	100.50	100.73	100.86	100.91	100.88	100.79	100.67
The TIER manufacturing sector composite indicator	100.34	100.39	100.46	100.52	100.57	100.57	100.55

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.

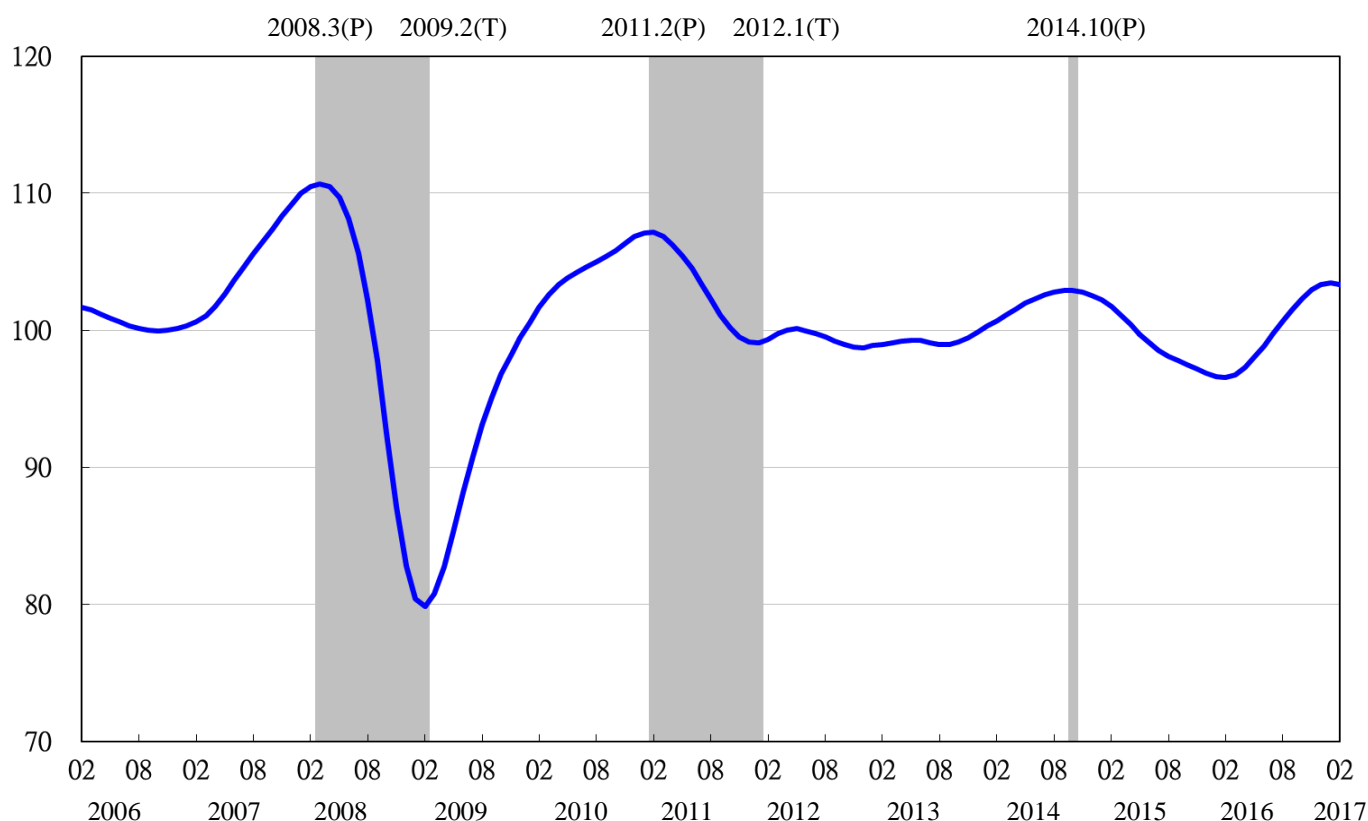


Note: Shaded areas represent recessions.

**Figure 3 Trend-adjusted Leading Index**

**Table 2 Coincident Indicators**

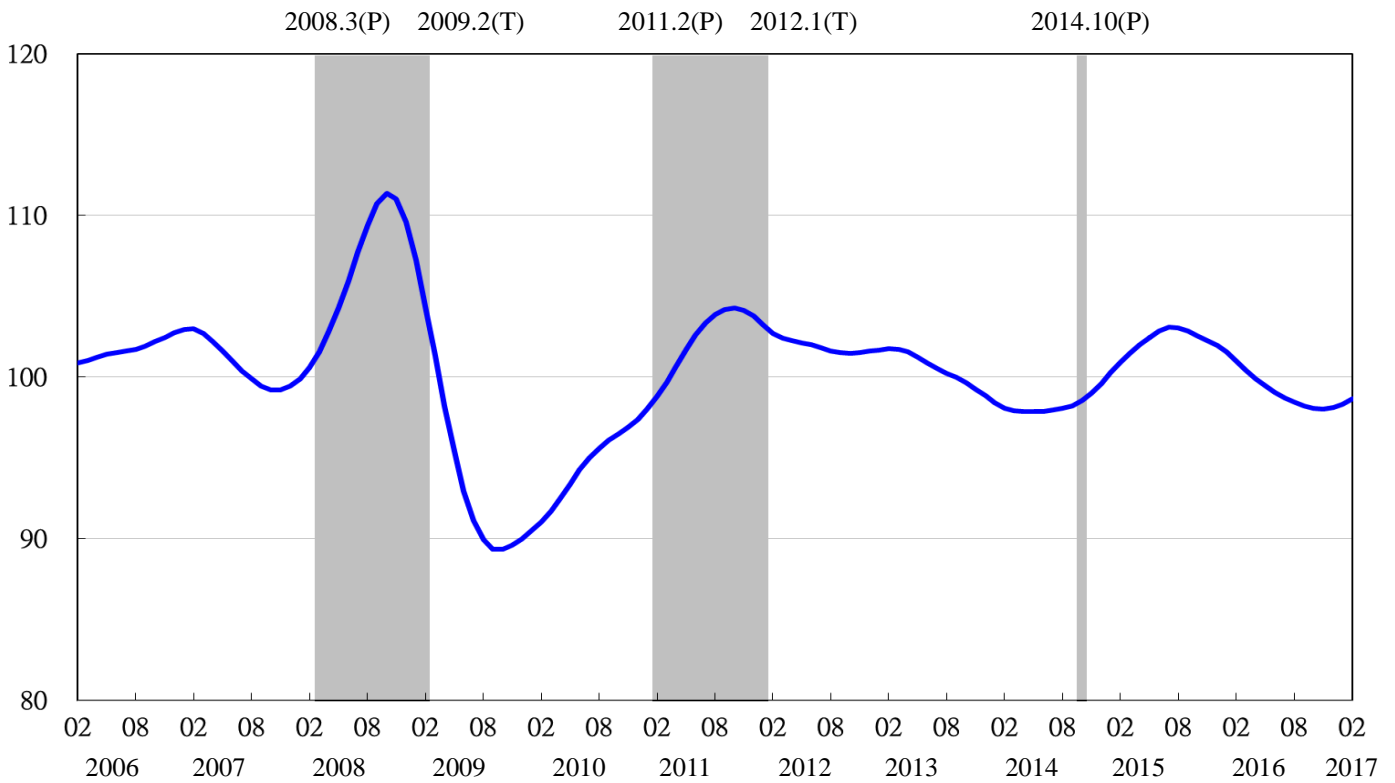
	Index						
	2016					2017	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Trend adjusted index</b>	100.66	101.51	102.31	102.96	103.36	103.46	103.35
Change from preceding month (%)	0.90	0.84	0.79	0.63	0.39	0.10	-0.11
<b>Components</b>							
Industrial production index	100.08	100.28	100.48	100.66	100.78	100.85	100.83
Electric power consumption	100.25	100.52	100.81	101.03	101.19	101.16	100.98
Index of producer's shipment for manufacturing	100.04	100.23	100.47	100.70	100.86	100.96	100.98
Sales of trade and food services	99.98	100.32	100.65	100.90	101.02	101.05	101.04
Nonagricultural employment	99.66	99.67	99.69	99.72	99.76	99.80	99.84
Real customs-cleared exports	99.97	100.25	100.56	100.88	101.17	101.44	101.69
Real machineries and electrical equipments imports	100.85	101.36	101.70	101.84	101.80	101.54	101.21



**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	Index						
	2016					2017	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Trend adjusted index</b>	98.43	98.21	98.05	98.00	98.09	98.31	98.66
Change from preceding month (%)	-0.29	-0.23	-0.16	-0.05	0.09	0.23	0.35
<b>Components</b>							
Unemployment rate	99.59	99.68	99.78	99.88	99.97	100.05	100.12
Regular employees on payrolls in industry & services	99.75	99.74	99.75	99.78	99.82	99.86	99.92
The manufacturing unit output labor cost index	99.68	99.39	99.12	98.88	98.70	98.58	98.54
Interbank overnight call-loan rate	99.91	99.92	99.94	99.95	99.97	99.99	100.00
Loans and investments of monetary financial institutions	99.87	99.87	99.87	99.87	99.87	99.87	99.88
Inventories to sales ratio for manufacturing	99.33	99.25	99.21	99.24	99.39	99.63	99.93



**Figure 5 Trend-adjusted Lagging Index**