

# Taiwan Business Indicators in May 2017

Press Release

National Development Council (NDC)

June 27, 2017

In May 2017, the overall monitoring indicator flashed “yellow-blue” signal. The total score decreased by one point to 20. The trend-adjusted leading and coincident index decreased from the previous month. The government will be closely monitoring the economic situation.

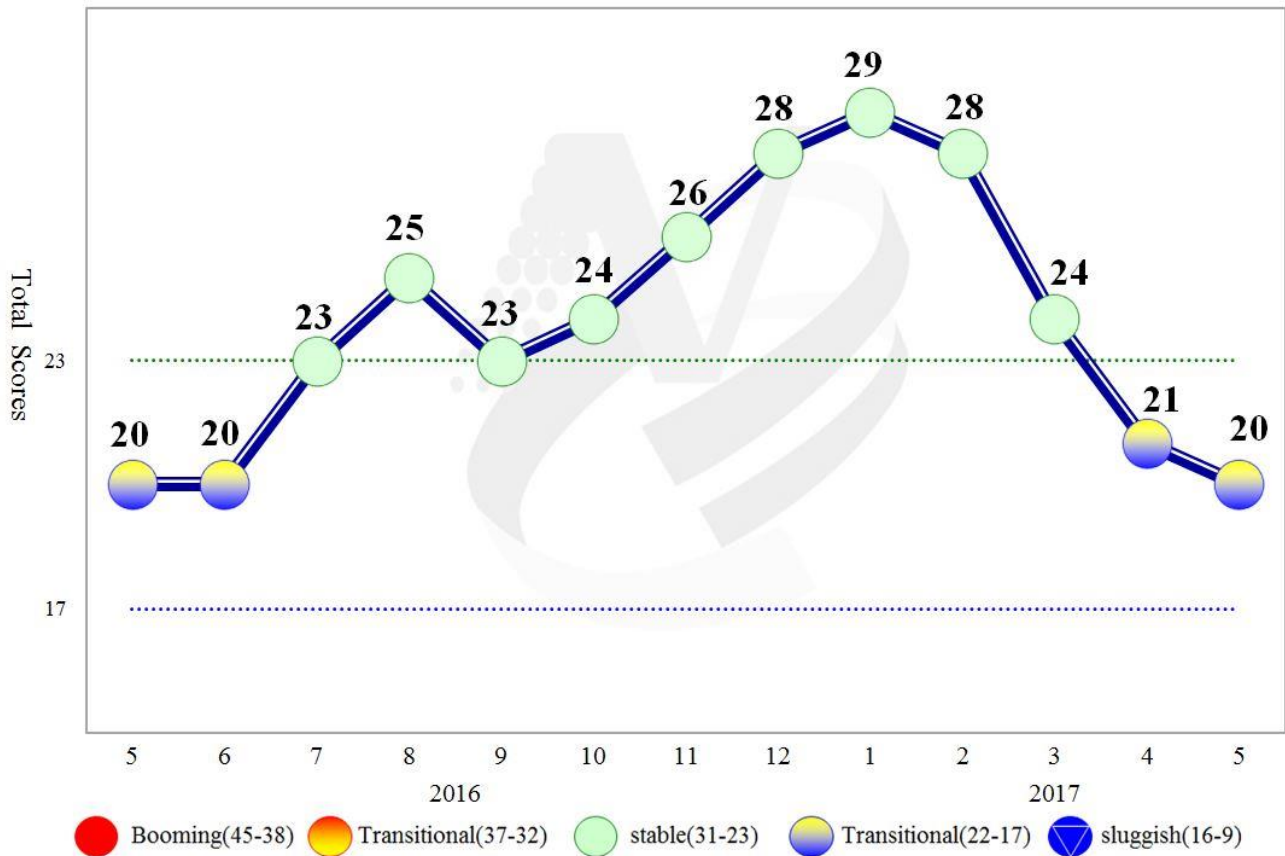
1. The Monitoring Indicators: The total score in May 2017 decreased by one point to 20, flashing the “yellow-blue” signal for the second month. Among the nine components, the index of producer’s shipment for manufacturing lost one point to change its individual light from “yellow-blue” to “blue”. The light signal for the rest of eight components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 99.84, down by 0.60% from April 2017. Among the seven indicators making up the trend-adjusted index, TAIEX average closing price had positive cyclical movement from the previous month, while the index of export orders, real imports of semiconductor equipment<sup>1</sup>, the TIER manufacturing sector composite indicator, real monetary aggregates M1B, net accession rate of employees on payrolls of industry and services, and building permits had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 98.8, down by 1.24% from April 2017. Among seven indicators making up the trend-adjusted index, nonagricultural employment had positive cyclical movement, while electric power consumption, the index of producer’s shipment for manufacturing, real customs-cleared exports, the industrial production index, real machineries and electrical equipments imports, and sales of trade and food services had negative cyclical movements.
4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 102.73, up by 1.22% from April 2017. All six indicators

---

<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.

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

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



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

	2016								2017						
	5	6	7	8	9	10	11	12	1	2	3	4	5		
Total	Light														
	Score	20	20	23	25	23	24	26	28	29	28	24	21	20	
Monetary Aggregates M1B													4.3		4.0
TAIEX Average Closing Price													14.4		21.3
Industrial Production Index													1.7 <sub>r</sub>		-0.3
Nonagricultural Employment													0.80		0.82
Customs-Cleared Exports													1.3 <sub>r</sub>		1.2
Imports of Machineries and Electrical Equipments													8.2 <sub>r</sub>		6.0
Index of producer's shipment for manufacturing													-0.6 <sub>r</sub>		-1.2 <sub>p</sub>
Sales of Trade and Food Services													2.1		2.7
The TIER Manufacturing Sector Composite Indicator													95.7 <sub>r</sub>		95.2

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

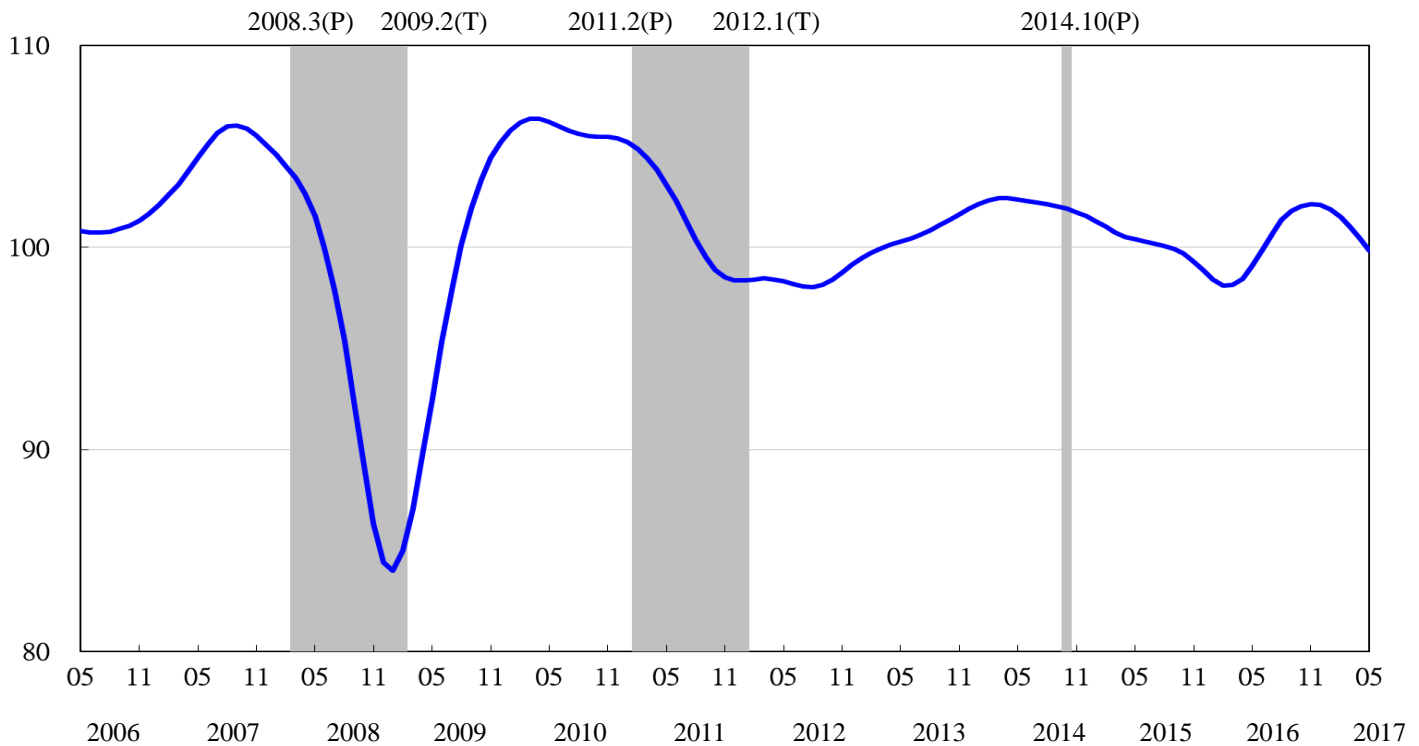
	2016		2017				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Trend adjusted index</b>	102.13	102.09	101.90	101.52	101.02	100.44	99.84
Change from preceding month (%)	0.09	-0.04	-0.19	-0.37	-0.49	-0.57	-0.60
<b>Components<sup>1</sup></b>							
Index of export orders	100.81	100.61	100.32	99.94	99.52	99.07	98.65
Real monetary aggregates M1B	100.06	99.98	99.88	99.77	99.66	99.55	99.44
TAIEX average closing price	100.04	100.11	100.18	100.27	100.36	100.44	100.53
Net accession rate of employees on payrolls of industry and services <sup>2</sup>	100.22	100.33	100.40	100.38	100.33	100.25	100.17
Building permits <sup>3</sup>	99.90	100.01	100.18	100.32	100.41	100.45	100.43
Real imports of semiconductor equipment <sup>4</sup>	100.98	100.89	100.72	100.48	100.21	99.94	99.68
The TIER manufacturing sector composite indicator	100.59	100.59	100.52	100.36	100.16	99.93	99.69

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.

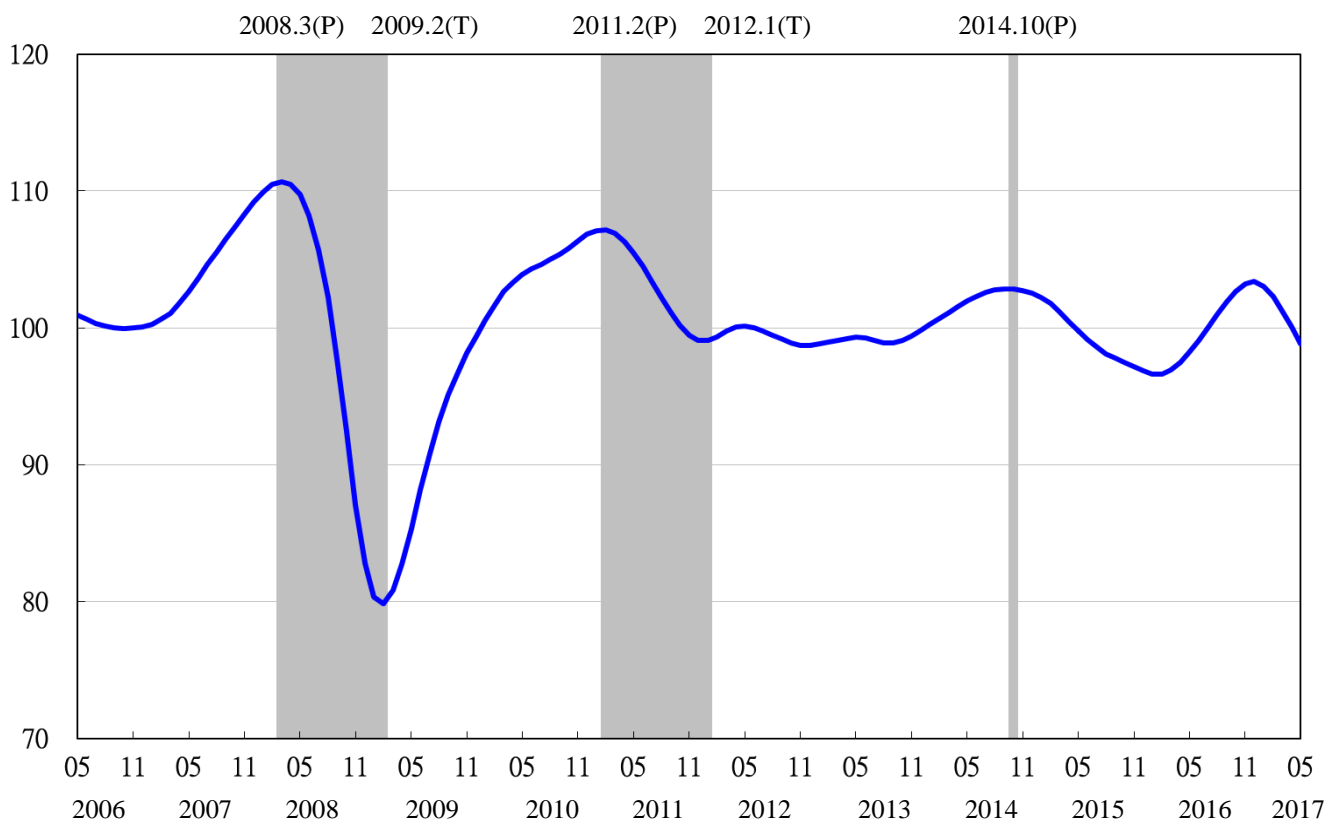


Note: Shaded areas represent recessions.

**Figure 3 Trend-adjusted Leading Index**

**Table 2 Coincident Indicators**

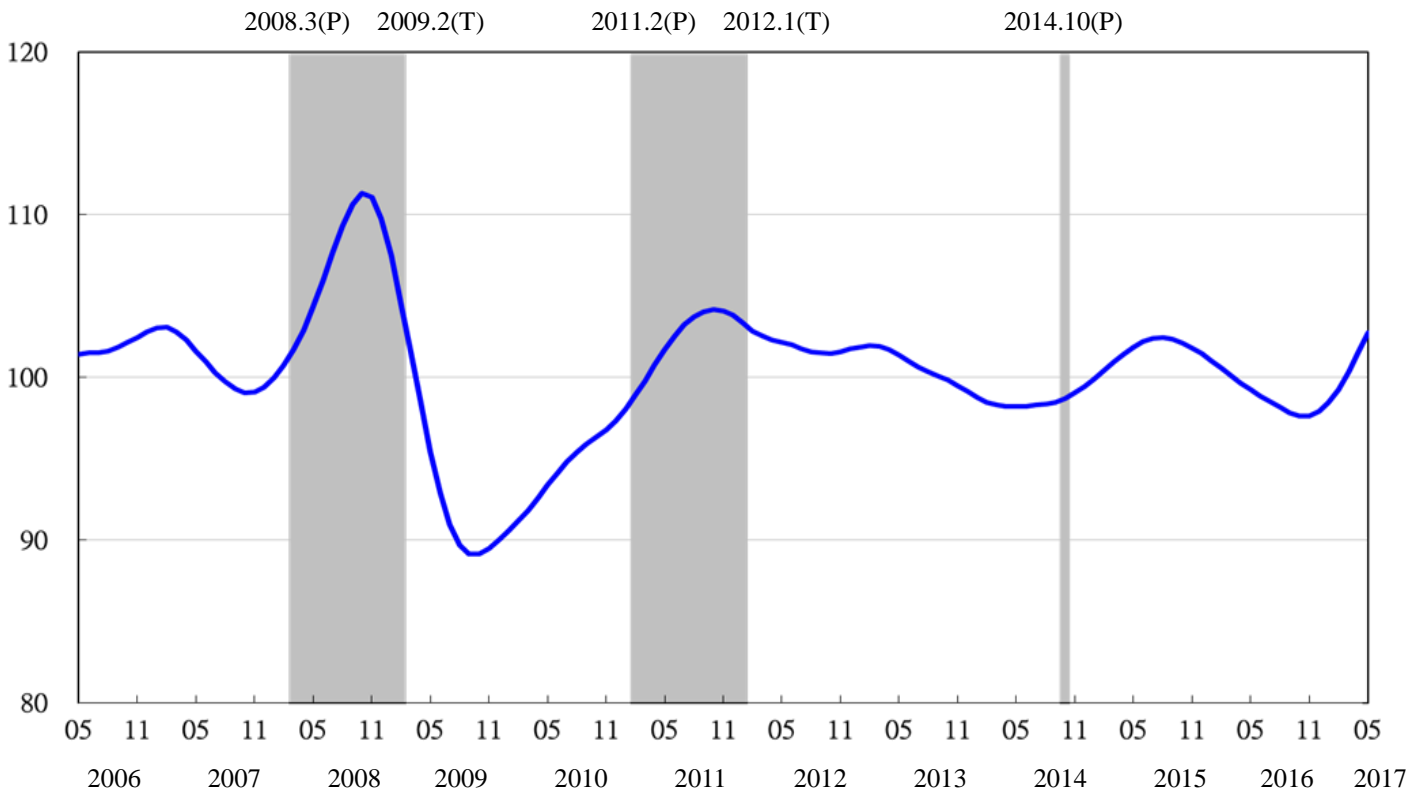
	Index						
	2016		2017				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Trend adjusted index</b>	103.22	103.39	103.06	102.27	101.23	100.04	98.80
Change from preceding month (%)	0.53	0.16	-0.32	-0.76	-1.01	-1.18	-1.24
<b>Components</b>							
Industrial production index	100.84	100.88	100.77	100.48	100.10	99.68	99.25
Electric power consumption	101.29	101.41	101.27	100.85	100.28	99.56	98.70
Index of producer's shipment for manufacturing	100.88	100.92	100.80	100.50	100.10	99.63	99.19
Sales of trade and food services	100.79	100.89	100.86	100.76	100.63	100.46	100.30
Nonagricultural employment	99.76	99.79	99.83	99.85	99.88	99.90	99.92
Real customs-cleared exports	101.01	101.08	101.01	100.77	100.40	99.96	99.52
Real machineries and electrical equipments imports	101.77	101.71	101.43	101.06	100.67	100.31	99.98



**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	Index						
	2016		2017				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Trend adjusted index</b>	97.63	97.89	98.44	99.27	100.30	101.49	102.73
Change from preceding month (%)	-0.002	0.27	0.56	0.85	1.04	1.18	1.22
<b>Components</b>							
Unemployment rate	99.84	99.92	99.98	100.04	100.09	100.15	100.21
Regular employees on payrolls in industry & services	99.76	99.79	99.85	99.91	99.97	100.04	100.11
The manufacturing unit output labor cost index	98.83	98.81	98.99	99.39	99.97	100.72	101.56
Interbank overnight call-loan rate	99.95	99.96	99.98	99.99	100.01	100.03	100.04
Loans and investments of monetary financial institutions	99.84	99.85	99.88	99.92	99.98	100.05	100.13
Inventories to sales ratio for manufacturing	98.95	99.14	99.45	99.88	100.33	100.79	101.21



**Figure 5 Trend-adjusted Lagging Index**