

Taiwan Business Indicators in April 2017

Press Release

National Development Council (NDC)

May 26, 2017

In April 2017, the overall monitoring indicator flashed from “green” to the “yellow-blue” signal. The total score decreased by three points to 21. 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 April 2017 decreased by three points to 21, flashing the “yellow-blue” signal for the first month. Among the nine components, the customs-cleared exports and the TIER manufacturing sector composite indicator each lost one point to change its individual light from “green” to “yellow-blue”, while the imports of machineries and electrical equipments lost one point to change its individual light from “yellow-red ” to “green”. The light signal for the rest of six components remained unchanged.
2. **Leading Indicators:** With revised data, the trend-adjusted leading index stood at 100.52, down by 0.50% from March 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 equipment¹, the TIER manufacturing sector composite indicator, real monetary aggregates M1B, and net accession rate of employees on payrolls of industry and services had negative cyclical movements.
3. **Coincident Indicators:** With revised data, the trend-adjusted coincident index stood at 100.21, down by 1.00% from March 2017. Among seven indicators making up the trend-adjusted index, nonagricultural employment had positive cyclical movement, while the index of producer’s shipment for manufacturing, real machineries and electrical equipments imports, real customs-cleared exports, the industrial production index, sales of trade and food services, and electric power consumption had negative cyclical movements.

¹ 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.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 101.31, up by 0.96% from March 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, the unemployment rate (inverted), regular employees on payrolls in industry and services, loans and investments of monetary financial institutions, and the interbank overnight call-loan rate.

~~ Next publication date: June 27 2017 ~~

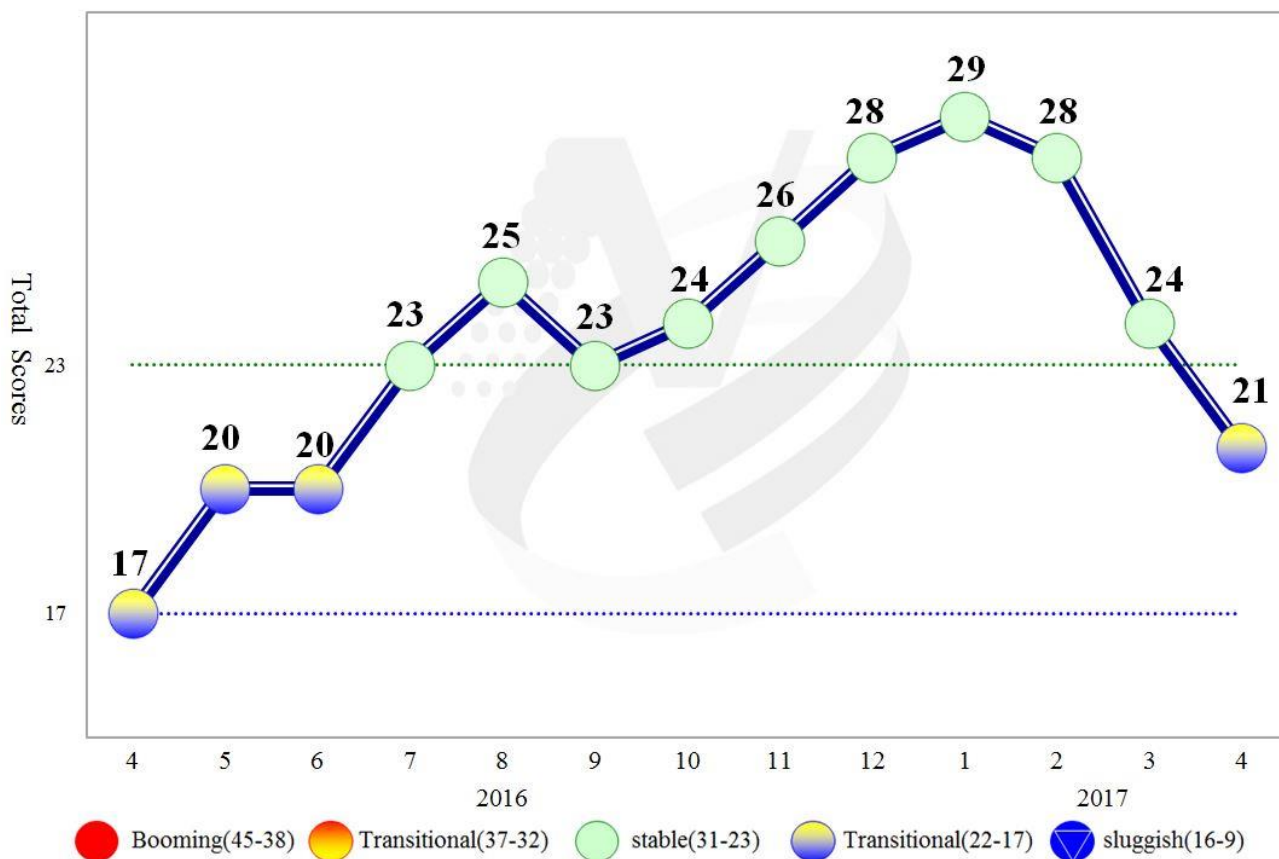


Figure 1 Total Scores in the Past Year

	2016										2017			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Total	Light	●	●	●	●	●	●	●	●	●	●	●	●	
	Score	17	20	20	23	25	23	24	26	28	29	28	24	21
Monetary Aggregates M1B	●	●	●	●	●	●	●	●	●	●	●	4.9	●	4.3
TAIEX Average Closing Price	●	●	●	●	●	●	●	●	●	●	●	12.8	●	14.4
Industrial Production Index	▼	●	●	●	●	●	●	●	●	●	●	3.0 _r	●	1.2
Nonagricultural Employment	●	●	●	●	●	●	●	●	●	●	●	0.7	●	0.8
Customs-Cleared Exports	▼	▼	●	●	●	▼	●	●	●	●	●	6.6 _r	●	1.4
Imports of Machineries and Electrical Equipments	●	●	●	●	●	●	●	●	●	●	●	14.4 _r	●	8.1
Index of producer's shipment for manufacturing	▼	●	●	●	●	▼	●	●	●	●	●	1.4 _r	●	-0.5 _p
Sales of Trade and Food Services	▼	▼	▼	●	●	●	●	●	●	●	●	4.2 _r	●	2.1
The TIER Manufacturing Sector Composite Indicator	●	●	●	●	●	●	●	●	●	●	●	97.9 _r	●	95.6

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

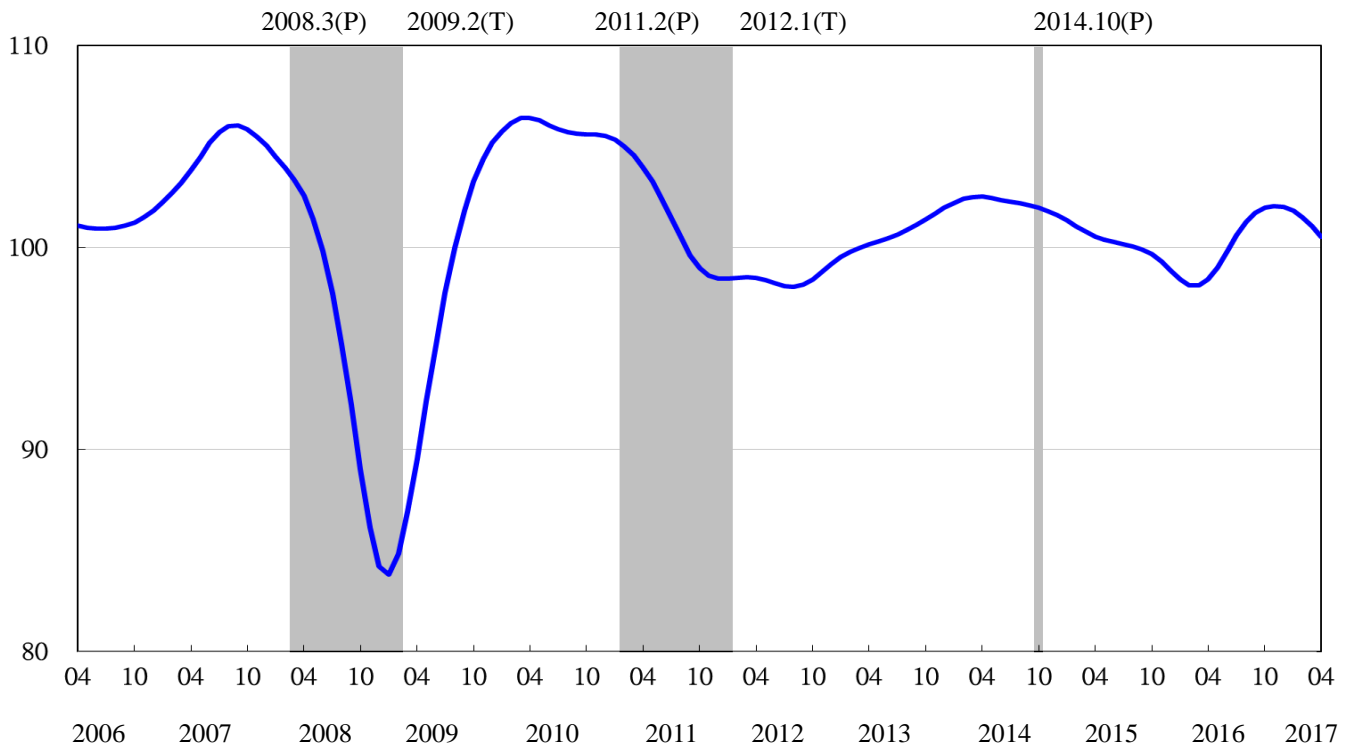
	2016			2017			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	101.95	102.03	102.00	101.82	101.47	101.02	100.52
Change from preceding month (%)	0.23	0.09	-0.03	-0.18	-0.34	-0.44	-0.50
Components¹							
Index of export orders	100.83	100.75	100.53	100.19	99.74	99.20	98.61
Real monetary aggregates M1B	100.07	100.01	99.93	99.83	99.72	99.60	99.48
TAIEX average closing price	100.02	100.08	100.15	100.23	100.31	100.40	100.48
Net accession rate of employees on payrolls of industry and services ²	100.09	100.22	100.33	100.40	100.40	100.37	100.33
Building permits ³	99.74	99.76	99.90	100.14	100.40	100.69	100.99
Real imports of semiconductor equipment ⁴	100.94	100.97	100.89	100.71	100.46	100.18	99.89
The TIER manufacturing sector composite indicator	100.50	100.55	100.55	100.48	100.34	100.16	99.96

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			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	102.47	103.00	103.18	102.87	102.15	101.23	100.21
Change from preceding month (%)	0.76	0.52	0.17	-0.30	-0.70	-0.90	-1.00
Components							
Industrial production index	100.65	100.79	100.82	100.69	100.39	99.99	99.55
Electric power consumption	100.62	100.85	101.03	101.02	100.88	100.75	100.65
Index of producer's shipment for manufacturing	100.66	100.82	100.86	100.73	100.41	99.97	99.46
Sales of trade and food services	100.59	100.83	100.92	100.90	100.78	100.63	100.43
Nonagricultural employment	99.71	99.74	99.78	99.82	99.85	99.88	99.91
Real customs-cleared exports	100.78	100.97	101.04	100.95	100.69	100.30	99.84
Real machineries and electrical equipments imports	101.70	101.84	101.77	101.46	101.01	100.53	100.04

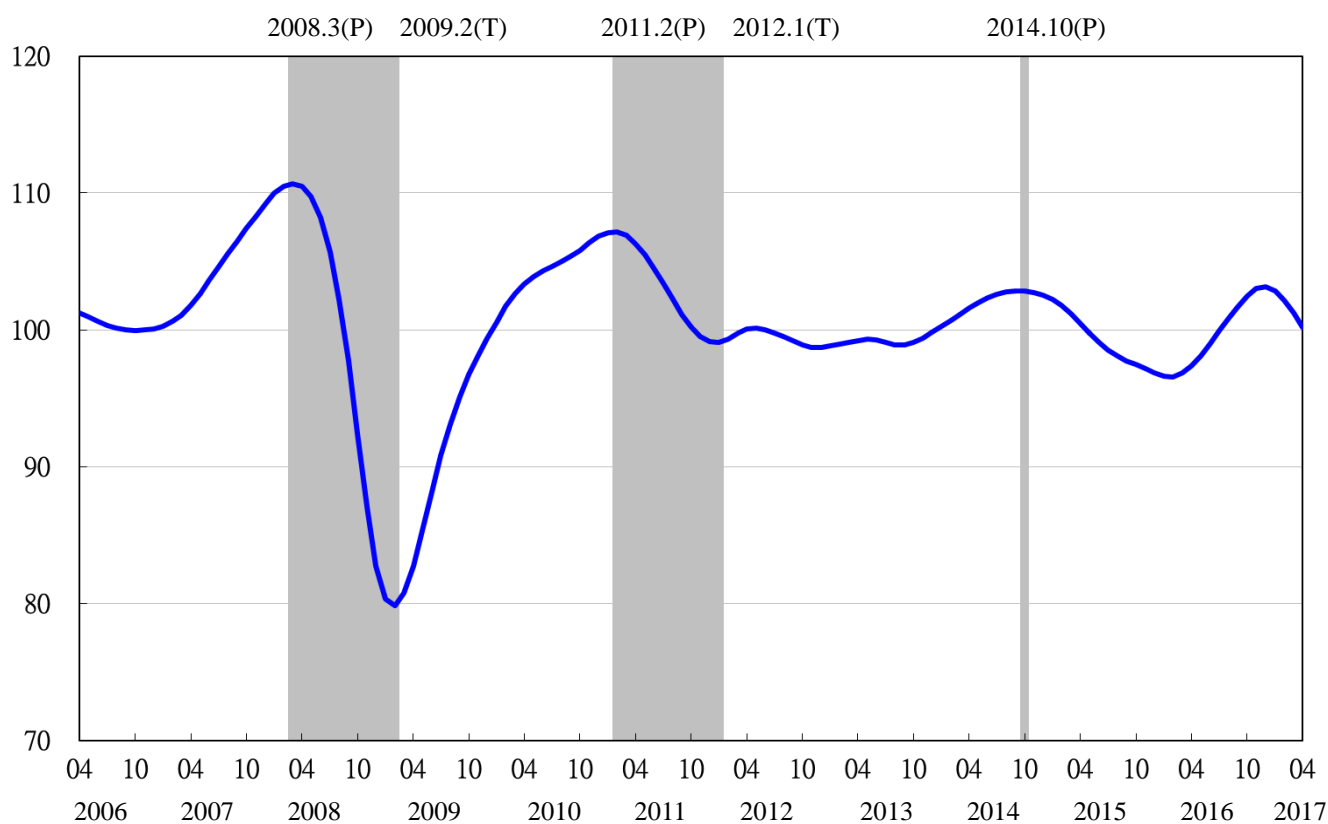


Figure 4 Trend-adjusted Coincident Index

Table 3 Lagging Indicators

	Index						
	2016			2017			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	97.98	97.99	98.24	98.73	99.47	100.35	101.31
Change from preceding month (%)	-0.18	0.01	0.25	0.51	0.75	0.89	0.96
Components							
Unemployment rate	99.76	99.85	99.93	100.00	100.06	100.12	100.19
Regular employees on payrolls in industry & services	99.75	99.77	99.81	99.86	99.92	99.98	100.04
The manufacturing unit output labor cost index	99.35	99.16	99.10	99.19	99.42	99.74	100.11
Interbank overnight call-loan rate	99.93	99.95	99.97	99.98	100.00	100.02	100.04
Loans and investments of monetary financial institutions	99.86	99.86	99.87	99.90	99.93	99.97	100.02
Inventories to sales ratio for manufacturing	98.95	99.01	99.21	99.57	100.05	100.59	101.17

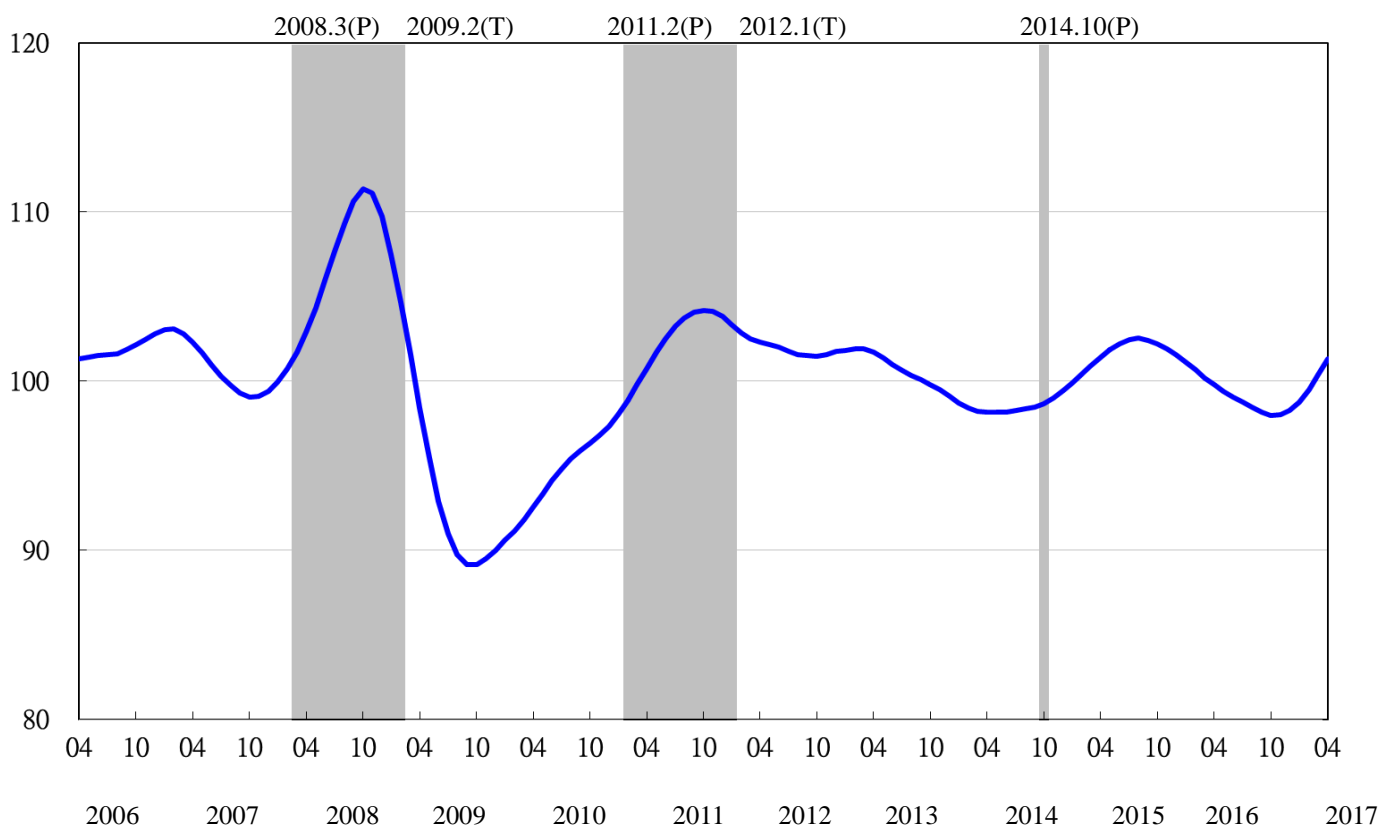


Figure 5 Trend-adjusted Lagging Index