

## Taiwan Business Indicators in July 2017

Press Release

National Development Council (NDC)

August 28, 2017

In July 2017, the overall monitoring indicator flashed “yellow-blue” signal. The total score stood at 22. The trend-adjusted leading index increased while the coincident index decreased from the previous month. The government will be closely monitoring the economic situation.

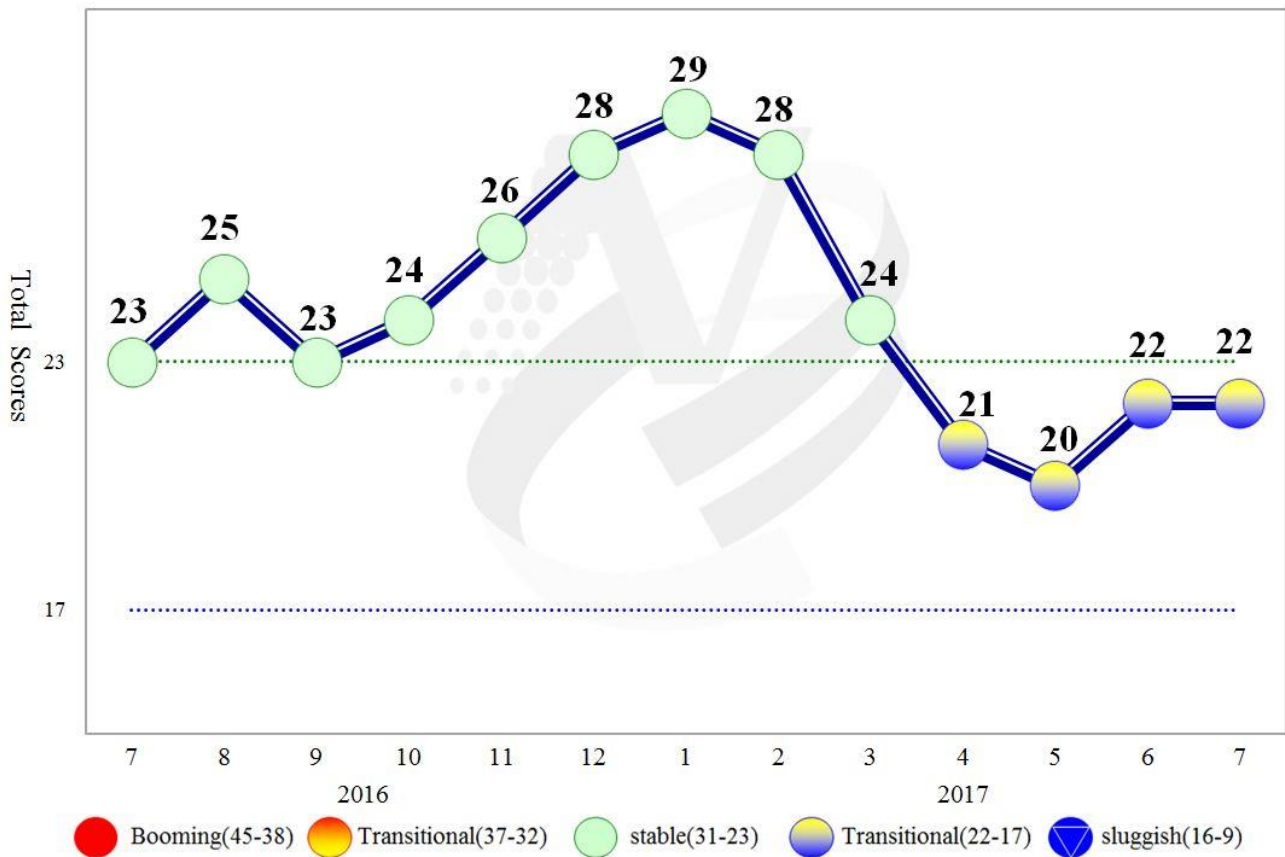
1. The Monitoring Indicators: The total score in June was adjusted upward by one point to 22, following the revision of the TIER manufacturing sector composite indicator. The total score 22 in July, the same level of previous month, flashing the “yellow-blue” signal for the fourth month. Among the nine components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 101.08, up by 0.18% from June 2017. Among the seven indicators making up the trend-adjusted index, building permits, the index of export orders, TAIEX average closing price, and the TIER manufacturing sector composite indicator had positive cyclical movements from the previous month, while real imports of semiconductor equipment<sup>1</sup>, net accession rate of employees on payrolls of industry and services, and real monetary aggregates M1B had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 100.17, down by 0.09% from June 2017. Among seven indicators making up the trend-adjusted index, real machineries and electrical equipments imports, and the industrial production index had negative cyclical movements, while real customs-cleared exports, the index of producer’s shipment for manufacturing, sales of trade and food services, electric power consumption, and nonagricultural employment had positive cyclical movements.
4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 100.75, up by 0.37% from June 2017. Among six

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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.

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

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



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

	2016						2017								
	7	8	9	10	11	12	1	2	3	4	5	6	7		
Total	Light	●	●	●	●	●	●	●	●	●	●	●	●		
Total	Score	23	25	23	24	26	28	29	28	24	21	20	22 <sub>r</sub>	22	
Monetary Aggregates M1B		●	●	●	●	●	●	●	●	●	●	●	4.4	●	5.0
TAIEX Average Closing Price		●	●	●	●	●	●	●	●	●	●	●	19.4	●	17.1
Industrial Production Index		●	●	●	●	●	●	●	●	●	●	●	2.7 <sub>r</sub>	●	2.0
Nonagricultural Employment		●	●	●	●	●	●	●	●	●	●	●	0.84	●	0.83
Customs-Cleared Exports		●	●	▼	●	●	●	●	●	●	●	●	5.3 <sub>r</sub>	●	4.9
Imports of Machineries and Electrical Equipments		●	●	●	●	●	●	●	●	●	●	●	2.3	●	-1.3
Index of producer's shipment for manufacturing		●	●	▼	●	●	●	●	●	●	●	●	2.1 <sub>r</sub>	●	1.5 <sub>p</sub>
Sales of Trade and Food Services		●	●	●	●	●	●	●	●	●	●	●	3.2	●	2.6
The TIER Manufacturing Sector Composite Indicator		●	●	●	●	●	●	●	●	●	●	●	96.6 <sub>r</sub>	●	100.5

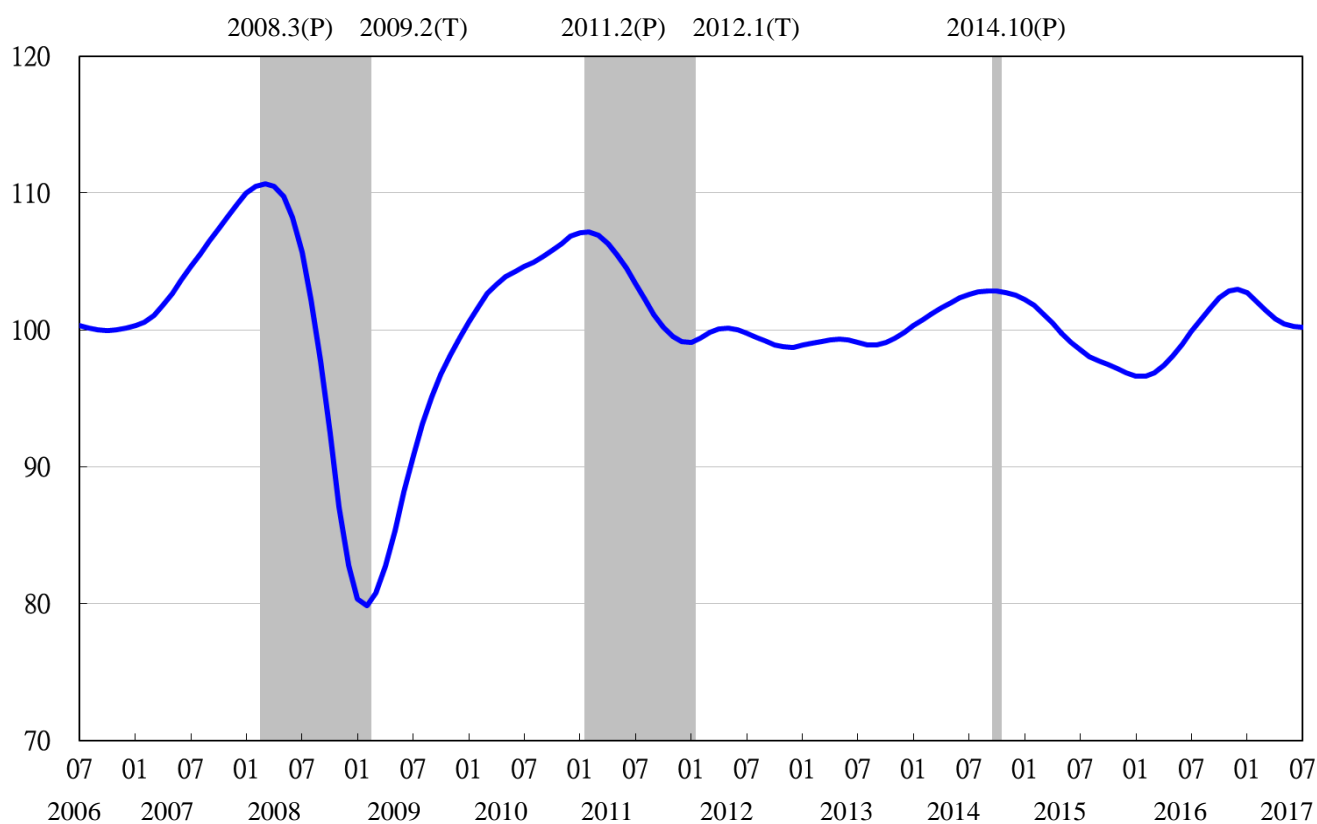
Notes : 1. Individual Components and check points are in terms of percentage changes over a one-year span, except the TIER Manufacturing Composite Indicator, which is in point (2006=100).  
 2. All components, except TAIEX average closing price, have been seasonally adjusted.  
 3. p = Preliminarily estimated, r = Revised.

**Figure 2 Monitoring Indicators**



**Table 2 Coincident Indicators**

	Index						
	2017						
	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Trend adjusted index</b>	102.70	102.09	101.40	100.80	100.42	100.26	100.17
Change from preceding month (%)	-0.27	-0.60	-0.67	-0.59	-0.38	-0.16	-0.09
<b>Components</b>							
Industrial production index	100.69	100.45	100.19	99.97	99.84	99.80	99.78
Electric power consumption	101.03	100.73	100.40	100.10	99.86	99.80	99.81
Index of producer's shipment for manufacturing	100.64	100.43	100.20	100.01	99.96	100.00	100.07
Sales of trade and food services	100.67	100.61	100.55	100.51	100.53	100.58	100.64
Nonagricultural employment	99.84	99.87	99.89	99.91	99.92	99.93	99.94
Real customs-cleared exports	100.79	100.66	100.47	100.32	100.28	100.34	100.42
Real machineries and electrical equipments imports	101.57	101.17	100.74	100.33	99.93	99.53	99.15

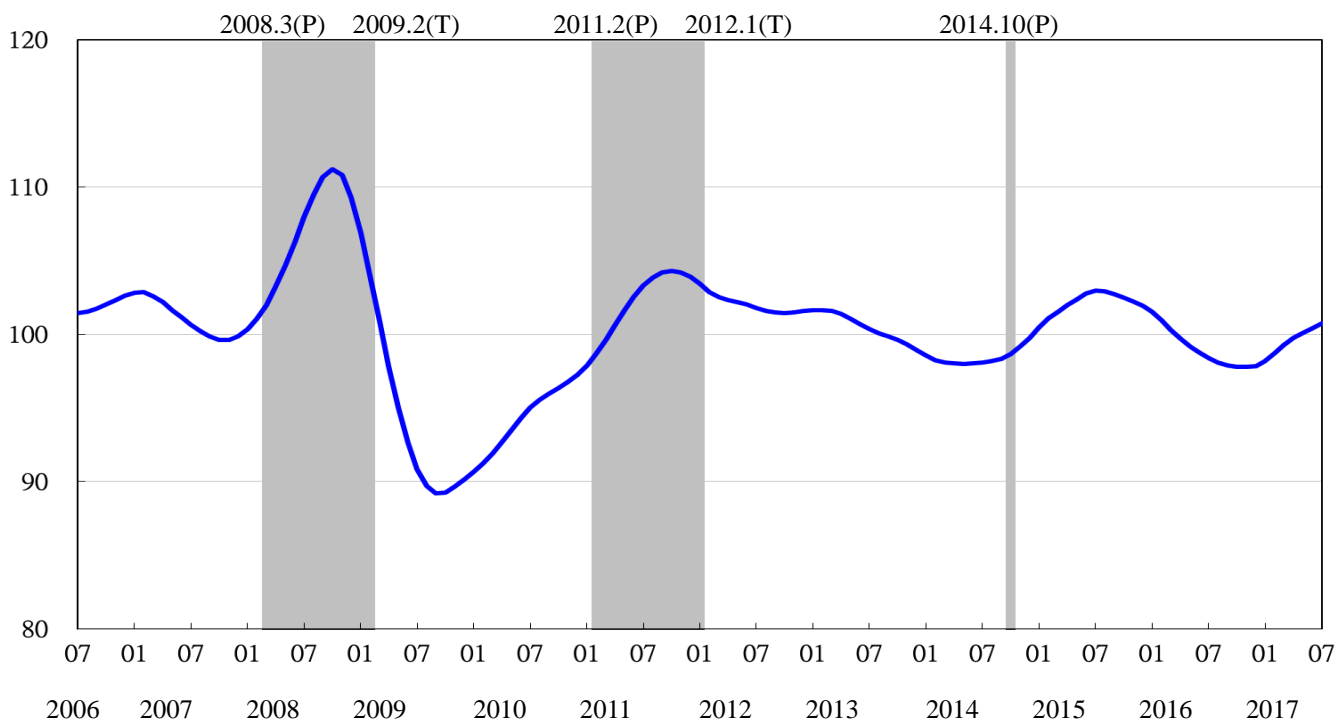


**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	2017							Index
	Jan	Feb	Mar	Apr	May	Jun	Jul	
<b>Trend adjusted index</b>	98.19	98.72	99.28	99.75	100.08	100.38	100.75	
Change from preceding month (%)	0.35	0.55	0.56	0.48	0.33	0.30	0.37	
<b>Components</b>								
Unemployment rate	99.95	100.00	100.05	100.10	100.14	100.18	100.21	
Employees on payrolls in industry & services	99.81	99.87	99.93	100.00	100.07	100.14	100.22	
The manufacturing unit output labor cost index	98.99	99.12	99.29	99.45	99.60	99.81	100.12	
Interbank overnight call-loan rate	99.96	99.98	100.00	100.02	100.04	100.06	100.08	
Loans and investments of monetary financial institutions	99.88	99.92	99.97	100.01	100.05	100.08	100.10	
Inventories to sales ratio for manufacturing	99.50	99.83	100.14	100.37	100.46	100.46	100.45	

Note : DGBAS ceased publishing Regular employees on payrolls in industry & services in July 2017. The NDC replaced with employees on payrolls in industry & services since July 2017.



**Figure 5 Trend-adjusted Lagging Index**