

Taiwan Business Indicators in April 2018

Press Release

National Development Council (NDC)

May 28, 2018

In April 2018, the overall monitoring indicator flashed “green” signal. The total score increased by three points to 26. The trend-adjusted leading index and 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 April 2018 increased by three points to 26, flashing the “green” signal for the third month. Among the nine components, the industrial production index gained one point to change its individual light from “green” to “yellow-red”. The index of producer’s shipment for manufacturing and the sales of trade and food services each gained one point to change its individual light from “yellow-blue” to “green”. The light signal from the rest of six components remained unchanged.
2. **Leading Indicators:** With revised data, the trend-adjusted leading index stood at 100.15, down by 0.41% from last month. Among the seven indicators making up the trend-adjusted index, building permits, and real monetary aggregates M1B had positive cyclical movements from the previous month, while the index of export orders, net accession rate of employees on payrolls of industry and services, the TIER manufacturing sector composite indicator, real imports of semiconductor equipment, and TAIEX average closing price had negative cyclical movements.
3. **Coincident Indicators:** With revised data, the trend-adjusted coincident index stood at 100.36, down by 0.59% from last month. Among the seven indicators making up the trend-adjusted index, nonagricultural employments had positive cyclical movement, while real machineries and electrical equipments imports, real customs-cleared exports, the index of producer’s shipment for manufacturing, sales of trade and food services, the industrial production index, and electric power consumption had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 100.29, down by 0.03% from last month. Among six indicators making up the trend-adjusted index, the inventories to sales ratio for manufacturing, loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had positive cyclical movements, while the manufacturing unit output labor cost index, employees on payrolls in industry and services, and the unemployment rate (inverted) had negative cyclical movement.

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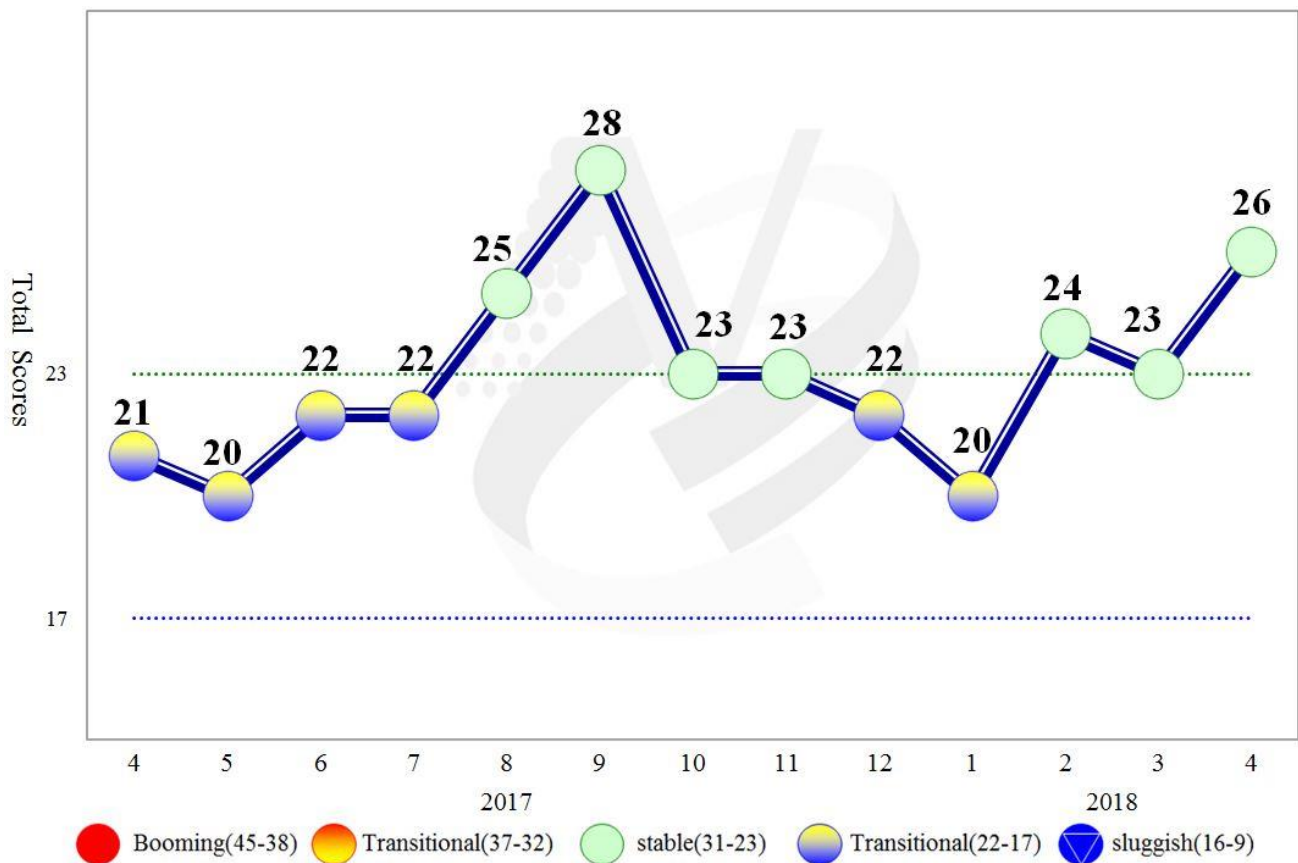


Figure 1 Total Scores in the Past Year

	2017										2018			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Total	Light													
	Score	21	20	22	22	25	28	23	23	22	20	24	23	26
Monetary Aggregates M1B												5.3		5.6
TAIEX Average Closing Price												11.3		10.1
Industrial Production Index												6.3 _r		8.6
Nonagricultural Employment												0.97		0.72
Customs-Cleared Exports												11.5		8.4
Imports of Machineries and Electrical Equipments												2.1		3.4
Index of producer's shipment for manufacturing												2.6 _r		4.5 _p
Sales of Trade and Food Services												4.2 _r		4.6
The TIER Manufacturing Sector Composite Indicator												100.0 _r		98.3

Notes : 1. Individual Componenets 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

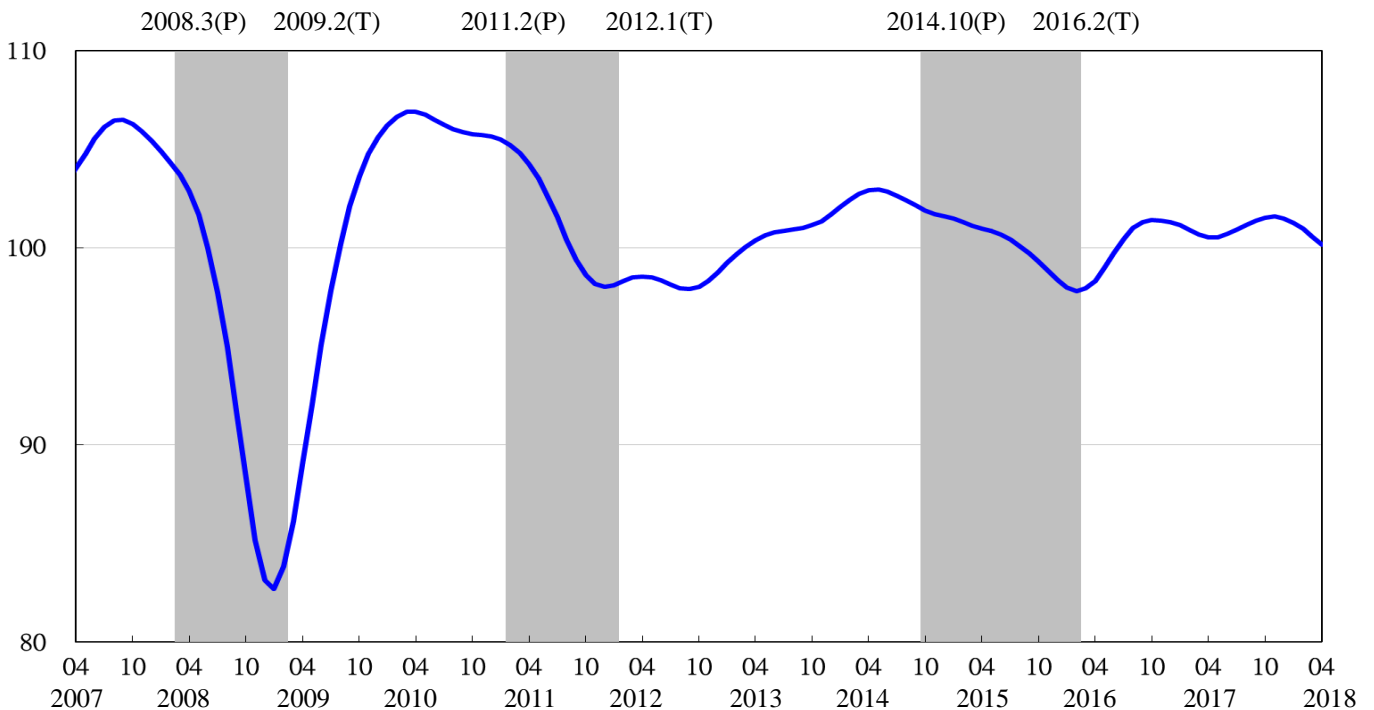
Table 1 Leading Indicators

	Index						
	2017			2018			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	101.52	101.58	101.50	101.28	100.95	100.57	100.15
Change from preceding month (%)	0.16	0.05	-0.08	-0.22	-0.32	-0.38	-0.41
Components¹							
Index of export orders	100.60	100.56	100.41	100.11	99.73	99.32	98.92
Real monetary aggregates M1B	99.88	99.81	99.74	99.69	99.660	99.658	99.663
TAIEX average closing price	100.31	100.30	100.28	100.25	100.21	100.17	100.12
Net accession rate of employees on payrolls of industry and services ²	100.16	100.12	100.05	99.96	99.85	99.71	99.58
Building permits ³	100.84	101.01	101.15	101.27	101.39	101.49	101.55
Real imports of semiconductor equipment	99.26	99.40	99.53	99.59	99.60	99.55	99.47
The TIER manufacturing sector composite indicator	100.33	100.28	100.20	100.10	100.01	99.91	99.80

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.



Note: Shaded areas represent recessions.

Figure 3 Trend-adjusted Leading Index

Table 2 Coincident Indicators

	Index						
	2017			2018			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trend adjusted index	102.12	102.19	102.07	101.78	101.43	100.95	100.36
Change from preceding month (%)	0.25	0.08	-0.12	-0.28	-0.35	-0.47	-0.59
Components							
Industrial production index	100.38	100.44	100.47	100.44	100.38	100.31	100.21
Electric power consumption	100.54	100.50	100.43	100.34	100.34	100.31	100.22
Index of producer's shipment for manufacturing	100.60	100.63	100.61	100.55	100.42	100.22	99.98
Sales of trade and food services	100.98	101.03	100.99	100.91	100.80	100.70	100.56
Nonagricultural employment	99.97	99.98	99.99	100.00	100.02	100.04	100.05
Real customs-cleared exports	100.82	100.81	100.69	100.51	100.30	100.06	99.77
Real machineries and electrical equipments imports	100.47	100.53	100.48	100.34	100.09	99.74	99.36

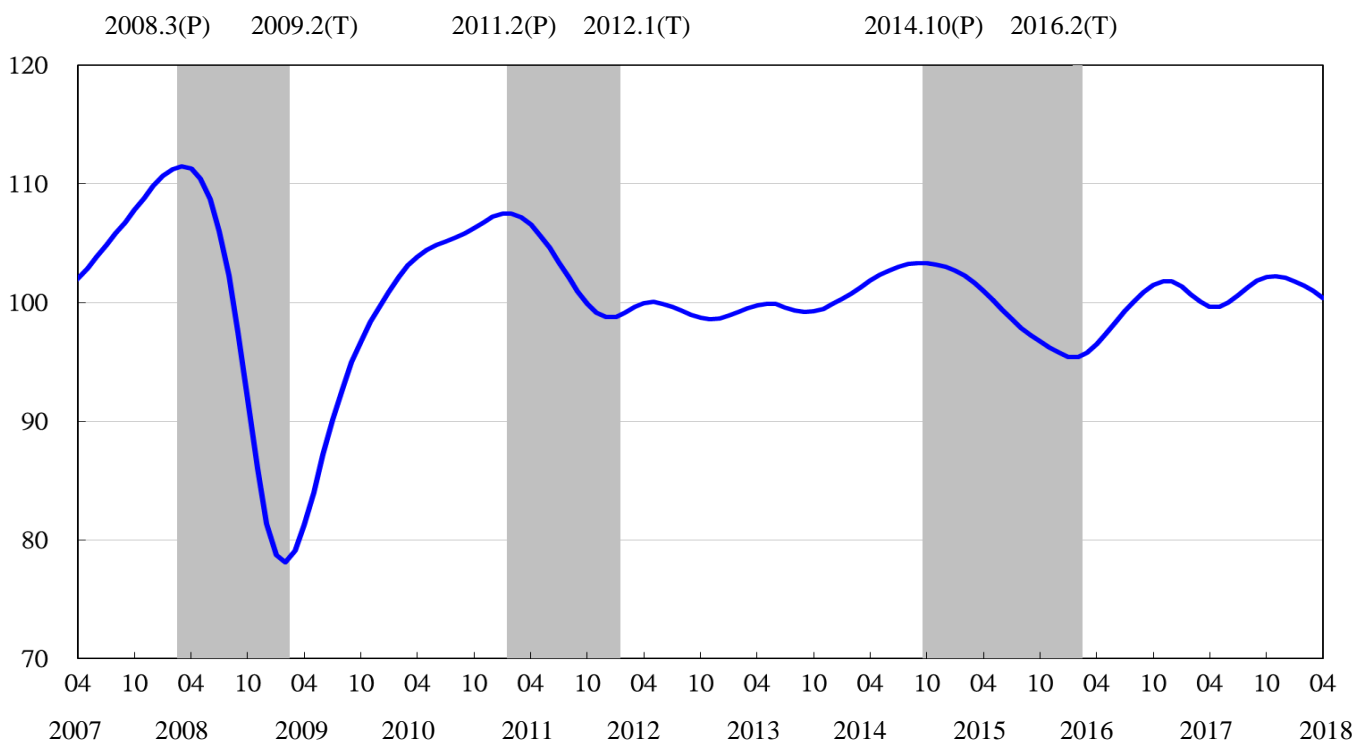


Figure 4 Trend-adjusted Coincident Index

