

April 2023 Taiwan Non-Manufacturing Index

NMI at 55.8%

Business Activity Index at 61.1%

New Orders Index at 54.8%

Employment Index at 55.2%

NON-MANUFACTURING AT A GLANCE

April 2023

Unit : %								Industries							
Index	Series Index Apr	Series Index Mar	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Acc & Food	Con & RE	Ed/Pro/ST	Fin & Ins	Inf/Com/BC	Ret	Trans & Stor	WS	
Taiwan NMI	55.8	53.2	+2.6	Growing	Faster	6	62.5	52.4	59.6	63.1	49.2	58.1	56.0	42.4	
Business Activity	61.1	54.4	+6.7	Growing	Faster	3	73.1	54.8	61.8	77.5	46.7	70.6	63.0	39.4	
New Orders	54.8	55.4	-0.6	Growing	Slower	2	65.4	46.8	63.2	71.3	56.7	50.0	53.7	34.5	
Employment	55.2	51.4	+3.8	Growing	Faster	2	57.7	56.5	58.8	51.3	50.0	55.9	55.6	51.1	
Supplier Deliveries	52.2	51.8	+0.4	Slowing	Faster	42	53.8	51.6	54.4	52.5	43.3	55.9	51.9	44.7	
Inventories	49.2	48.4	+0.8	Contracting	Slower	3	53.8	48.4	54.4	55.0	46.7	38.2	46.3	47.9	
Prices	65.7	63.6	+2.1	Increasing	Faster	88	69.2	59.7	64.7	70.0	60.0	76.5	59.3	62.8	
Backlog of Orders	49.9	47.3	+2.6	Contracting	Slower	9	53.8	38.7	55.9	56.3	50.0	55.9	44.4	42.6	
New Export Orders	45.9	49.7	-3.8	Contracting	Faster	15	71.4	40.0	59.1	42.3	50.0	33.3	45.8	32.8	
Imports	48.0	54.6	-6.6	Contracting	From Growing	1	34.6	40.6	50.0	55.6	41.7	40.0	53.8	42.6	
Service Charge	57.1	54.4	+2.7	Increasing	Faster	35	65.4	50.0	57.8	65.0	46.7	61.8	57.4	46.8	
Inventory Sentiment	52.7	52.5	+0.2	Too High	Faster	12	46.2	51.6	48.5	51.3	53.3	52.9	46.3	61.7	
Future Outlooks	43.3	49.9	-6.6	Contracting	Faster	13	65.4	25.8	48.5	38.8	40.0	61.8	53.7	31.9	

Chart 1: Time Series of Taiwan NMI

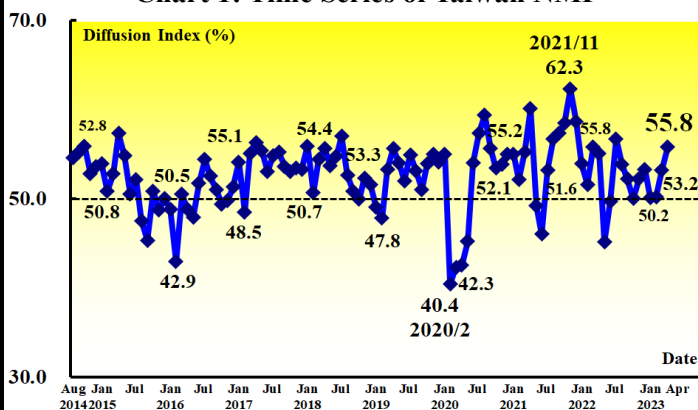
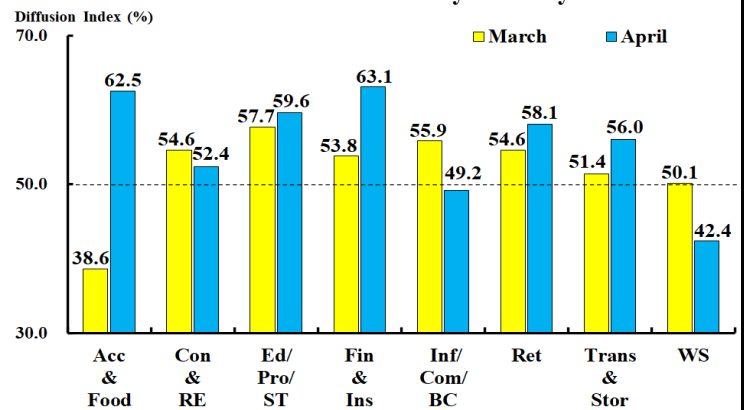


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector grew for the sixth consecutive month as the seasonally unadjusted Taiwan NMI further increased 2.6 percentage points to 55.8 percent in April, marking the highest growth rate since August 2022.
- The seasonally unadjusted Business Activity Index grew at the fastest rate since January 2022 as the index further rose 6.7 percentage points to 61.1 percent.
- Non-manufacturers' new orders grew for two consecutive months as the seasonally unadjusted New Orders Index inched down 0.6 percentage point to 54.8 percent.
- The Employment Index grew for the second consecutive month as the index further increased 3.8 percentage points to 55.2 percent, indicating the fastest growth pace since August 2022.
- Non-manufacturers reported slower deliveries for forty-two consecutive months as the Supplier Deliveries Index inched up 0.4 percentage point to 52.2 percent.
- The Inventories Index slightly increased 0.8 percentage point to 49.2 percent and contracted for three consecutive months.
- The Prices Index still remained above 60.0 percent for twenty-nine consecutive months and rose 2.1 percentage points to 65.7 percent.
- The Backlog of Orders Index contracted for nine consecutive months but went up 2.6 percentage points to 49.9 percent in April, recording slowest contraction rate since August 2022.
- Non-manufacturers continued charging higher service prices for thirty-five consecutive months as the Service Charge Index further rose 2.7 percentage points to 57.1, registering the highest level since August 2022.
- The Future Outlooks Index reversed its recent trend of slowing contraction in the past four months and fell 6.6 percentage points to 43.3 percent in April, down from the highest reading of 49.9 percent since April 2022.
- Six among eight non-manufacturing industries categories reported expansion in the following order: Fin & Ins (63.1%), Acc & Food (62.5%), Ed/Pro/ST (59.6%), Ret (58.1%), Trans & Stor (56.0%) and Con & RE (52.4%). While WS (42.4%) and Inf/Com/BC (49.2%) reported contraction compared to the previous month.

About this Report

This report is jointly issued by the National Development Council (NDC) – a cabinet-level ministry, the Chung-Hua Institution for Economic Research (CIER), and the Supply Management Institute, Taiwan (SMIT). CIER makes no representation, other than that stated within this release, regarding the individual company data collection procedures.

Data and Method of Presentation

The Survey is based on data compiled from monthly replies to questionnaires sent to non-manufacturing executives in about 300 representative non-manufacturing companies. The panel has been carefully selected to accurately replicate the actual structure of the non-manufacturing economy, based on each industry's contribution to gross domestic product (GDP). The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive). The NMI (Non-Manufacturing Index) is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity, New Orders, Employment and Supplier Deliveries. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Supplier Deliveries is an exception. A Supplier Deliveries Index above 50 percent indicates slower deliveries and below 50 percent indicates faster deliveries. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured, this report shows the percentage reporting each response, and the diffusion index. Responses represent raw data and are never changed.

We re-categorize the non-manufacturing subsectors listed in the Standard Industrial Classification System of the Republic of China (Rev.9, 2011) into nine broad categories. **The Accommodation & Food Service industry (Acc & Food)** which includes Accommodation and Food and Beverage Service Activities; **The Construction and Real Estate industry (Con & RE)** which comprises Construction of Buildings, Civil Engineering, Specialized Construction Activities, Real Estate Development Activities, Real Estate Operation Activities and Related Activities; **The Education, Professional, Scientific & Technical Activities (Ed/Pro/ST)** which includes Education, Legal and Accounting Activities, Activities of Head Offices and Management Consultancy Activities, Architecture and Engineering Activities, Technical Testing and Analysis, Scientific Research and Development, Advertising and Market Research, Specialized Design Activities and Veterinary Activities and Other Professional, Scientific and Technical Activities; **The Financial & Insurance Industry (Fin & Ins)** which comprises Financial Intermediation, Insurance, Securities, Futures and Other Financing; **The Information, Communication and Broadcasting industry (Inf/Com/BC)** which comprises Publishing Activities, Motion Picture, Video and Television Programme Production, Sound Recording and Music Publishing Activities, Programming and Broadcasting Activities, Telecommunications, Computer Systems Design Services and Information Service Activities; **The Transportation and Storage (Trans & Stor)** which includes Land Transportation, Water Transportation, Air Transport, Support Activities for Transportation, Warehousing and Storage and Postal and Courier Activities; **Other Industries (Others):** Electricity and Gas Supply, Water Supply and Remediation Activities, Human Health and Social Work Activities and Support Service Activities; **The Wholesale Trade industry (WS)** and **The Retail Trade industry (Ret).** These industries together account for an estimated 82% of Taiwan non-manufacturing sector output. CIER provides industrial diffusion indexes for each industrial category except Other Industries category.

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