

December 2024 Taiwan Non-Manufacturing Index

NMI at 56.5%

Business Activity Index at 59.7%

New Orders Index at 57.2%

Employment Index at 55.6%

NON-MANUFACTURING AT A GLANCE

December 2024

Index	Series Index Dec	Series Index Nov	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries							
							Acc & Food	Con & RE	Ed/Pro/ST	Fin & Ins	Inf/Com/BC	Ret	Trans & Stor	WS
Taiwan NMI	56.5	54.6	+1.9	Growing	Faster	26	60.0	58.2	58.8	55.0	58.3	51.2	58.7	53.8
Business Activity	59.7	55.2	+4.5	Growing	Faster	10	60.0	59.6	62.2	56.3	64.3	63.2	67.3	54.3
New Orders	57.2	54.8	+2.4	Growing	Faster	22	60.0	53.8	63.5	62.5	66.7	41.7	61.5	53.5
Employment	55.6	54.1	+1.5	Growing	Faster	22	70.0	61.5	56.8	53.8	52.4	44.7	53.8	53.2
Supplier Deliveries	53.6	54.4	-0.8	Slowing	Slower	19	50.0	57.7	52.7	47.5	50.0	55.3	51.9	54.3
Inventories	50.6	52.8	-2.2	Growing	Slower	9	55.0	48.1	48.6	50.0	52.4	52.6	48.1	52.1
Prices	58.8	61.2	-2.4	Increasing	Slower	108	65.0	53.8	60.8	42.5	59.5	63.2	69.2	61.7
Backlog of Orders	50.2	46.9	+3.3	Growing	From Contracting	1	65.0	46.2	52.7	56.3	50.0	42.1	53.8	50.0
New Export Orders	49.2	44.2	+5.0	Contracting	Slower	6	100.0	50.0	42.3	35.7	55.0	33.3	53.8	48.6
Imports	51.4	48.0	+3.4	Growing	From Contracting	1	55.0	50.0	57.1	27.8	35.0	42.9	73.1	55.9
Service Charge	55.5	52.9	+2.6	Increasing	Faster	55	65.0	54.0	58.3	52.5	54.8	57.9	57.7	55.4
Inventory Sentiment	50.7	50.2	+0.5	Too High	Faster	3	55.0	46.2	44.6	47.5	52.4	57.9	42.3	54.3
Future Outlooks	50.5	50.6	-0.1	Growing	Slower	14	65.0	44.2	56.8	53.8	50.0	42.1	51.9	50.0

Chart 1: Time Series of Taiwan NMI

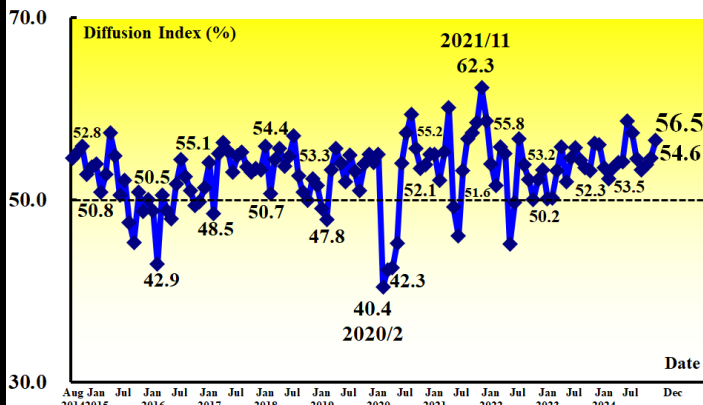
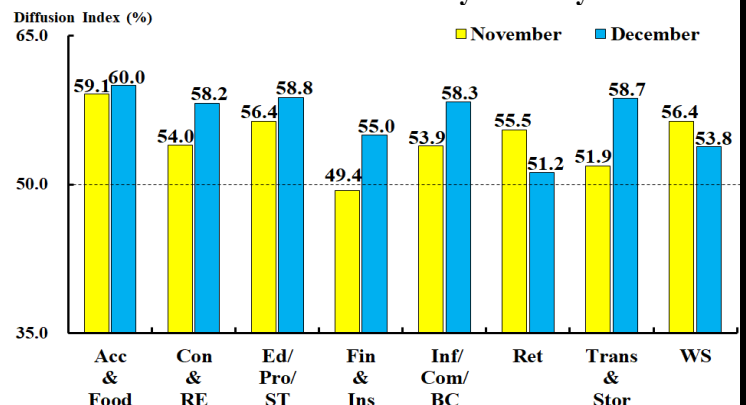


Chart 2: Performance by Industry



Summary

- The seasonally unadjusted Taiwan NMI further rose 1.9 percentage points to 56.5 percent, indicating growth in non-manufacturing sector for twenty-six consecutive months.
- Both Business Activity and New Orders Indexes expanded at the fastest pace since July 2024 as the indexes went up 4.5 and 2.4 percentage points to 59.7 and 57.2 percent, respectively.
- The Employment Index rose 1.5 percentage points to 55.6 percent, indicating growing for twenty-two consecutive months.
- The Inventories Index grew for the ninth consecutive month but decreased 2.2 percentage points to 50.6 percent, indicating the slowest expansion since April 2024.
- Non-manufacturers continuously experienced upward pressures on their purchasing costs, as the Prices Index decreased 2.4 percentage points to 58.8 percent.
- Non-manufacturers' backlogs grew following three months of contraction as the Backlog of Orders Index went up 3.3 percentage points to 50.2 percent.
- The New Export Orders Index contracted for six consecutive months but further increased 5.0 percentage points to 49.2 percent, the slowest rate of contraction since July 2024.
- The Imports Index turned to growth following only one month of contraction and rose 3.4 percentage points to 51.4 percent.
- Non-manufacturers continued charging higher service prices for fifty-five consecutive months as the Service Charge Index increased 2.6 percentage points to 55.5 percent.
- The Future Outlooks Index grew for the fourteenth consecutive month, while the index further fell 0.1 percentage point to 50.5 percent, the slowest growth rate since November 2023.
- All the non-manufacturing industries' categories are reporting growth in December in the following order: Acc & Food (60.0%), Ed/Pro/ST (58.8%), Trans & Stor (58.7%), Inf/Com/BC (58.3%), Con & RE (58.2%), Fin & Ins (55.0%), WS (53.8%) and Ret (51.2%).

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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