

July 2024 Taiwan Non-Manufacturing Index

NMI at 57.3%

Business Activity Index at 59.6%

New Orders Index at 56.3%

Employment Index at 58.2%

NON-MANUFACTURING AT A GLANCE

July 2024

Index	Series Index Jul	Series Index Jun	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	57.3	58.6	-1.3	Growing	Slower	21	54.2	56.3	57.9	56.6	60.0	66.5	50.0	51.4
Business Activity	59.6	63.2	-3.6	Growing	Slower	5	54.2	54.2	62.9	63.2	62.5	76.5	47.9	47.1
New Orders	56.3	63.4	-7.1	Growing	Slower	17	45.8	52.1	55.7	61.8	75.0	60.0	41.7	47.0
Employment	58.2	55.7	+2.5	Growing	Faster	17	58.3	62.5	54.3	53.9	47.5	70.6	60.4	54.8
Supplier Deliveries	54.9	52.0	+2.9	Slowing	Faster	14	58.3	56.3	58.6	47.4	55.0	58.8	50.0	56.7
Inventories	51.3	51.3	+0.0	Growing	Same	4	54.2	45.8	52.9	52.6	52.5	55.9	45.8	52.9
Prices	60.9	61.7	-0.8	Increasing	Slower	103	75.0	56.3	61.4	53.9	62.5	70.6	64.6	56.7
Backlog of Orders	51.2	53.5	-2.3	Growing	Slower	3	37.5	50.0	54.3	56.6	55.0	50.0	41.7	51.9
New Export Orders	47.3	55.3	-8.0	Contracting	From Growing	1	50.0	33.3	55.0	61.5	62.5	33.3	55.0	40.8
Imports	55.4	56.4	-1.0	Growing	Slower	3	54.2	46.2	68.2	56.3	65.0	41.7	55.0	57.5
Service Charge	55.8	57.6	-1.8	Increasing	Slower	50	70.8	50.0	59.7	59.2	50.0	52.9	62.5	52.9
Inventory Sentiment	50.7	50.1	+0.6	Too High	Faster	2	54.2	41.7	50.0	52.6	52.5	55.9	43.8	56.7
Future Outlooks	57.8	61.5	-3.7	Growing	Slower	9	54.2	58.3	58.6	60.5	57.5	55.9	54.2	53.8

Chart 1: Time Series of Taiwan NMI

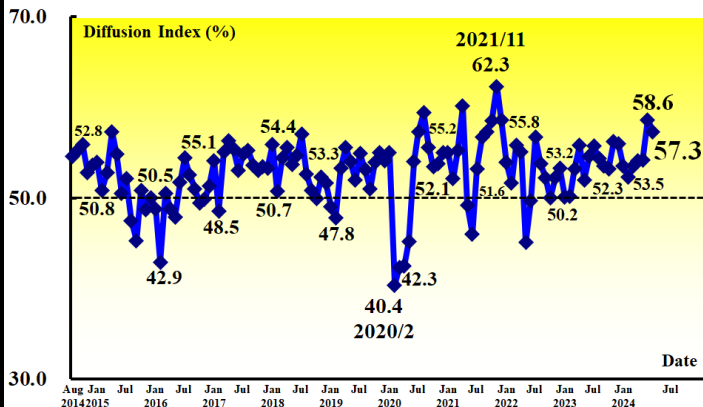
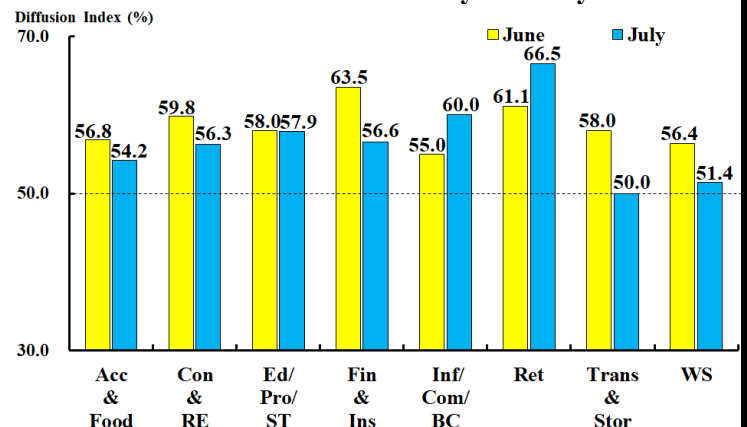


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector grew for twenty-one consecutive months as the seasonally unadjusted Taiwan NMI fell 1.3 percentage points to 57.3 percent, down from the highest level of 58.6 percent since January 2022.
- The Business Activity Index decreased 3.6 percentage points to 59.6 percent from the highest level of 63.2 percent since January 2022.
- The seasonally unadjusted New Orders Index remained in growing for seventeen consecutive months but dramatically decreased 7.1 percentage points to 56.3 percent.
- The Employment Index further rose 2.5 percentage points to 58.2 percent, growing for seventeen consecutive months.
- The Supplier Deliveries Index increased 2.9 percentage points to 54.9 percent and recorded the highest reading since August 2022.
- Non-manufacturers continuously experienced upward pressures on their purchasing or operation costs, as the Prices Index remained above 60.0 percent for the fifth consecutive month and registered 60.9 percent in July.
- The Backlog of Orders Index registered 51.2 percent, decreasing 2.3 percentage points from the highest reading of 53.5 percent since January 2022.
- Non-manufacturers continued charging higher service prices for fifty consecutive months while the Service Charge Index fell 1.8 percentage points to 55.8 percent, down from its highest reading of 57.6 percent since August 2022.
- The Future Outlooks Index grew for the ninth consecutive month while the index fell 3.7 percentage points to 57.8 percent.
- Of the eight non-manufacturing industries categories, seven are reporting growth in the following order: Ret (66.5%), Inf/Com/BC (60.0%), Ed/Pro/ST (57.9%), Fin & Ins (56.6%), Con & RE (56.3%), Acc & Food (54.2%) and WS (51.4%). Only Trans & Stor (50.0%) reported unchanged from June.

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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