

June 2024 Taiwan Non-Manufacturing Index

NMI at 58.6%

Business Activity Index at 63.2%

New Orders Index at 63.4%

Employment Index at 55.7%

NON-MANUFACTURING AT A GLANCE

June 2024

Index	Series Index Jun	Series Index May	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	58.6	54.2	+4.4	Growing	Faster	20	56.8	59.8	58.0	63.5	55.0	61.1	58.0	56.4
Business Activity	63.2	56.6	+6.6	Growing	Faster	4	54.5	65.2	62.5	80.8	52.5	61.1	63.6	59.6
New Orders	63.4	53.6	+9.8	Growing	Faster	16	50.0	63.0	61.1	71.8	60.0	75.0	63.6	58.3
Employment	55.7	54.7	+1.0	Growing	Faster	16	63.6	63.0	52.8	52.6	55.0	52.8	56.8	51.9
Supplier Deliveries	52.0	52.0	+0.0	Slowing	Same	13	59.1	47.8	55.6	48.7	52.5	55.6	47.7	55.8
Inventories	51.3	51.0	+0.3	Growing	Faster	3	50.0	41.3	54.2	52.6	57.5	61.1	40.9	55.8
Prices	61.7	64.7	-3.0	Increasing	Slower	102	68.2	63.0	58.3	59.0	57.5	61.1	61.4	59.6
Backlog of Orders	53.5	50.2	+3.3	Growing	Faster	2	45.5	56.5	55.6	57.7	55.0	47.2	56.8	51.0
New Export Orders	55.3	52.1	+3.2	Growing	Faster	2	50.0	62.5	45.5	58.3	66.7	25.0	70.0	55.1
Imports	56.4	55.4	+1.0	Growing	Faster	2	54.5	50.0	66.7	42.9	50.0	50.0	75.0	57.5
Service Charge	57.6	56.9	+0.7	Increasing	Faster	49	50.0	63.6	59.1	59.0	50.0	58.3	61.4	51.9
Inventory Sentiment	50.1	49.5	+0.6	Too High	From Too Low	1	50.0	41.3	47.2	50.0	52.5	55.6	50.0	57.7
Future Outlooks	61.5	63.6	-2.1	Growing	Slower	8	59.1	63.0	65.3	60.3	50.0	61.1	72.7	59.6

Chart 1: Time Series of Taiwan NMI

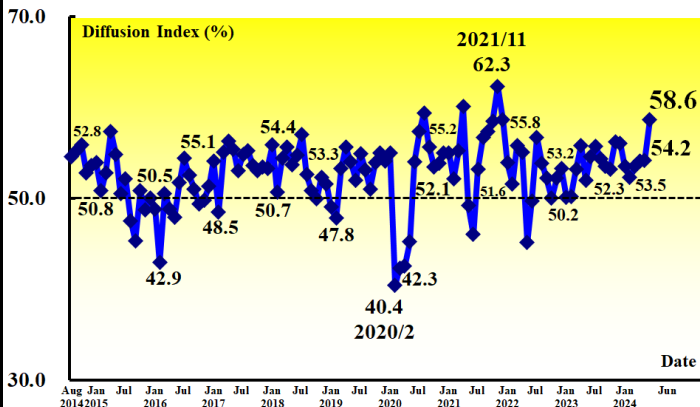
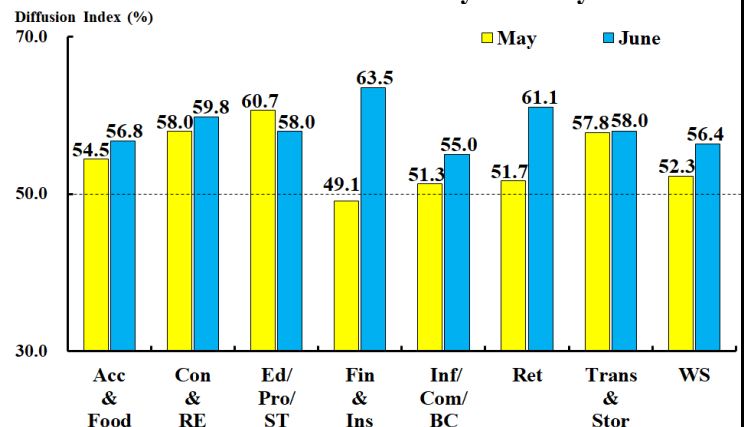


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector grew for the twentieth consecutive month as the seasonally unadjusted Taiwan NMI further went up 4.4 percentage points to 58.6 percent, recording the fastest growth rate since January 2022.
- The Business Activity Index grew at the fastest rate since January 2022 and rose 6.6 percentage points to 63.2 percent.
- The seasonally unadjusted New Orders Index remained in growing for sixteen consecutive months and increased 9.8 percentage points to 63.4 percent, indicating the fastest growth rate since December 2021.
- The Employment Index rose 1.0 percentage point to 55.7 percent, indicating growing for sixteen consecutive months.
- Non-manufacturers reported deliveries slowing for thirteen consecutive months as the Supplier Deliveries Index registered 52.0 percent in June.
- Non-manufacturers continuously experienced upward pressures on their purchasing or operation costs, as the Prices Index remained above 60.0 percent for the fourth consecutive month and registered 61.7 percent in June.
- The Backlog of Orders Index expanded at the fastest pace since January 2022 and further went up 3.3 percentage points to 53.5 percent in June.
- Non-manufacturers continued charging higher service prices for forty-nine consecutive months as the Service Charge Index further went up 0.7 percentage point to 57.6 percent, recording its highest reading since August 2022.
- The Future Outlooks Index remained above 60.0 percent for the second consecutive month while the index fell 2.1 percentage points to 61.5 percent.
- All the non-manufacturing industries categories are reporting growing in the following order: Fin & Ins (63.5%), Ret (61.1%), Con & RE (59.8%), Ed/Pro/ST (58.0%), Trans & Stor (58.0%), Acc & Food (56.8%), WS (56.4%) and Inf/Com/BC (55.0%).

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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