

# March 2022 Taiwan Non-Manufacturing Index

NMI at 55.8%

Business Activity Index at 54.8%

New Orders Index at 56.7%

Employment Index at 54.8%

## NON-MANUFACTURING AT A GLANCE

March 2022

Index	Series Index Mar	Series Index Feb	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	55.8	51.6	+4.2	Growing	Faster	9	54.5	56.7	57.3	53.3	56.6	54.4	49.0	58.0
Business Activity	54.8	45.9	+8.9	Growing	From Contracting	1	50.0	58.3	55.2	45.2	63.2	55.9	48.0	59.4
New Orders	56.7	47.5	+9.2	Growing	From Contracting	1	59.1	50.0	60.3	58.3	60.5	50.0	50.0	62.2
Employment	54.8	55.7	-0.9	Growing	Slower	9	45.5	61.7	58.6	58.3	52.6	47.1	50.0	52.8
Supplier Deliveries	56.9	57.3	-0.4	Slowing	Slower	29	63.6	56.7	55.2	51.2	50.0	64.7	48.0	57.5
Inventories	51.0	48.2	+2.8	Growing	From Contracting	1	59.1	38.3	53.4	51.2	50.0	47.1	56.0	60.4
Prices	73.6	67.3	+6.3	Increasing	Faster	75	77.3	81.7	69.0	61.9	57.9	79.4	74.0	82.1
Backlog of Orders	49.6	43.9	+5.7	Contracting	Slower	3	50.0	41.7	53.4	52.4	50.0	50.0	38.0	51.9
New Export Orders	45.1	47.0	-1.9	Contracting	Faster	2	12.5	27.8	50.0	53.8	50.0	50.0	31.8	53.9
Imports	54.0	48.4	+5.6	Growing	From Contracting	1	59.1	38.9	57.7	54.5	44.4	60.0	40.9	55.6
Service Charge	61.6	59.7	+1.9	Increasing	Faster	22	54.5	77.6	51.9	48.8	55.3	64.7	48.0	66.3
Inventory Sentiment	50.0	51.8	-1.8	Unchanged	From Too High	1	54.5	45.0	51.7	52.4	50.0	41.2	52.0	57.5
Future Outlooks	55.9	59.5	-3.6	Growing	Slower	9	77.3	56.7	62.1	44.0	55.3	52.9	48.0	54.7

Chart 1: Time Series of Taiwan NMI

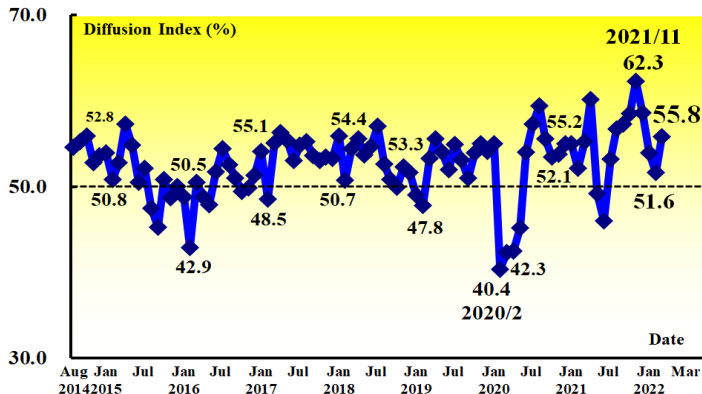
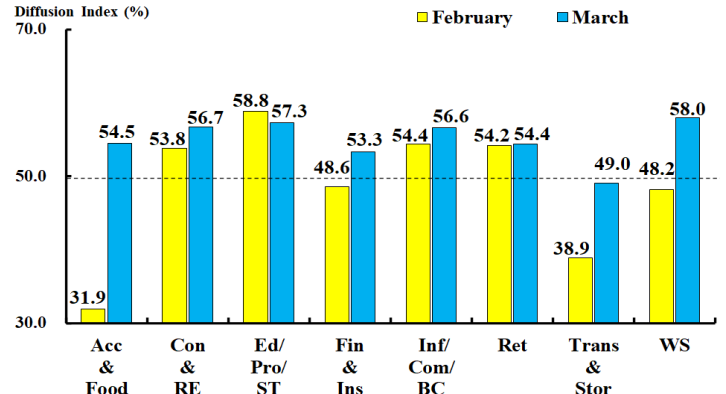


Chart 2: Performance by Industry



### Summary

- The seasonally unadjusted Taiwan Non-Manufacturing NMI increased 4.2 percentage points to 55.8 percent in March.
- The seasonally unadjusted Business Activity and New Orders Indexes turned to growth and rose 8.9 and 9.2 percentage points to 54.8 and 56.7 percent in March, respectively, partially caused by the fewer working days in February when the Chinese New Year and the Peace Memorial Day holidays slowed the nation's non-manufacturing activities.
- The Supplier Deliveries Index slightly decreased by 0.4 percentage point to 56.9 percent, indicating slower deliveries from suppliers to the non-manufacturing sector for twenty-nine consecutive months.
- The Inventories Index turned to growth following only one month of contraction and registered 2.8 percentage points higher than the 48.2 percent in February.
- The Prices Index maintained above 60.0 percent for sixteen consecutive months and increased 6.3 percentage points to 73.6 percent in March, recording the highest level since August 2014.
- Non-manufacturers' backlogs contracted for three consecutive months as the Backlog of Orders Index increased 5.7 percentage points to 49.6 percent.
- The New Export Orders Index dropped 1.9 percentage points to 45.1 percent, contracting for the second consecutive month.
- Non-manufacturers' imports turned to growth as the Imports Index grew 5.6 percentage points to 54.0 percent.
- Non-manufacturers continued charging higher service prices for twenty-two consecutive months as the Service Charge Index increased 1.9 percentage points to 61.6 percent in March.
- The Future Outlooks Index grew for the ninth consecutive month while the index fell 3.6 percentage points to 55.9 percent.
- Seven among eight non-manufacturing industries categories reported growing in the following order: WS (58.0%), Ed/Pro/ST (57.3%), Con & RE (56.7%), Inf/Com/BC (56.6%), Acc & Food (54.5%), Ret (54.4%) and Fin & Ins (53.3%). Only Trans & Stor (49.0%) industry reported contraction in March.

## 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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