

November 2023 Taiwan Non-Manufacturing Index

NMI at 56.2%

Business Activity Index at 56.2%

New Orders Index at 58.2%

Employment Index at 56.5%

NON-MANUFACTURING AT A GLANCE

November 2023

Index	Series Index Nov	Series Index Oct	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	56.2	53.2	+3.0	Growing	Faster	13	56.7	60.8	61.1	56.1	44.5	57.3	56.7	47.9
Business Activity	56.2	53.0	+3.2	Growing	Faster	10	53.8	60.3	63.9	61.5	37.5	52.6	64.3	43.9
New Orders	58.2	50.6	+7.6	Growing	Faster	9	50.0	60.3	62.5	61.5	43.8	71.4	57.1	45.6
Employment	56.5	55.6	+0.9	Growing	Faster	9	61.5	63.8	58.3	53.8	50.0	52.6	51.8	51.0
Supplier Deliveries	54.0	53.5	+0.5	Slowing	Faster	6	61.5	58.6	59.7	47.4	46.9	52.6	53.6	51.0
Inventories	50.7	51.0	-0.3	Growing	Slower	3	61.5	55.2	50.0	53.8	46.9	47.4	44.6	46.9
Prices	57.9	62.2	-4.3	Increasing	Slower	95	73.1	60.3	62.5	56.4	53.1	44.7	60.7	53.1
Backlog of Orders	50.6	47.5	+3.1	Growing	From Contracting	1	57.7	48.3	52.8	53.8	40.6	55.3	44.6	41.8
New Export Orders	46.9	45.2	+1.7	Contracting	Slower	4	62.5	40.0	50.0	54.2	50.0	33.3	35.7	41.9
Imports	52.6	50.8	+1.8	Growing	Faster	2	65.4	43.3	60.7	37.5	50.0	50.0	36.7	51.3
Service Charge	55.2	52.7	+2.5	Increasing	Faster	42	57.7	58.9	55.9	51.3	53.1	44.7	64.3	49.0
Inventory Sentiment	55.6	53.2	+2.4	Too High	Faster	19	53.8	58.6	48.6	51.3	50.0	60.5	46.4	63.3
Future Outlooks	54.5	45.1	+9.4	Growing	From Contracting	1	76.9	51.7	56.9	60.3	43.8	50.0	48.2	42.9

Chart 1: Time Series of Taiwan NMI

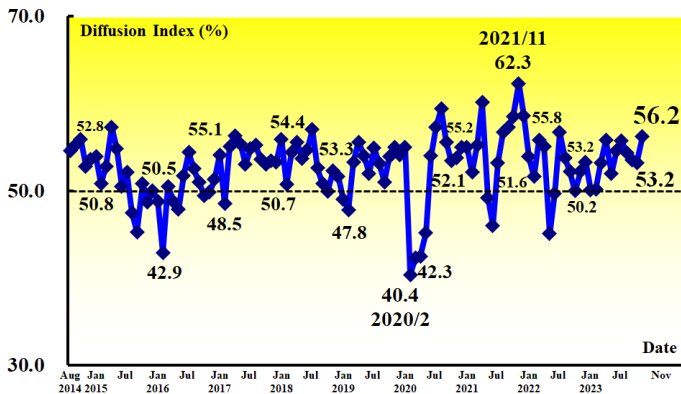
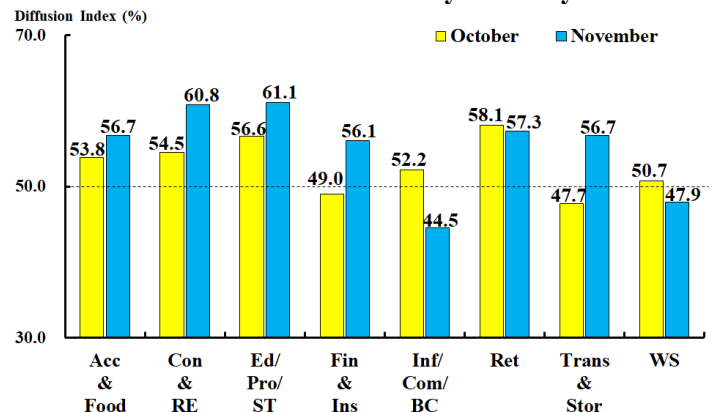


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector grew for the thirteenth consecutive month as the seasonally unadjusted Taiwan NMI increased 3.0 percentage points to 56.2 percent, with the fastest growth rate since August 2022.
- Both the seasonally unadjusted Business Activity and New Orders Indexes remained in growth territory and accelerated, increasing 3.2 and 7.6 percentage points to 56.2 and 58.2 percent, respectively.
- Non-manufacturers' employment grew for the ninth consecutive month as the Employment Index further rose 0.9 percentage point to 56.5 percent, recording the fastest growth rate since January 2022.
- Non-manufacturers reported deliveries slowing for the sixth consecutive month as the Supplier Deliveries Index registered 54.0 percent in November, increasing 0.5 percentage point from the 53.5 percent recorded in October.
- The Inventories Index grew for the third consecutive month while further decreased 0.3 percentage point to 50.7 percent.
- Non-manufacturers continuously experienced upward pressures on their purchasing or operation costs for ninety-five consecutive months, while the Prices Index went down 4.3 percentage points to 57.9 percent and recorded the lowest reading since November 2020.
- The Backlog of Orders Index reversed its recent trend of contraction in the past fifteen consecutive months and turned to growth during November, increasing 3.1 percentage points to 50.6 percent.
- Non-manufacturers continued charging higher service prices for forty-two consecutive months as the Service Charge Index went up 2.5 percentage points to 55.2 percent.
- The Inventory Sentiment Index remained too high for nineteen consecutive months as the index inched up 2.4 percentage points to 55.6 percent, recording the highest reading since December 2018.
- The Future Outlooks Index reversed its recent trend of contraction in the past three months and jumped 9.4 percentage points to 54.5 percent in November.
- Six among eight non-manufacturing industries categories reported expansion in the following order: Ed/Pro/ST (61.1%), Con & RE (60.8%), Ret (57.3%), Acc & Food (56.7%), Trans & Stor (56.7%) and Fin & Ins (56.1%). While Inf/Com/BC (44.5%) and WS (47.9%) industries categories contracted in November.

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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