

# September 2024 Taiwan Non-Manufacturing Index

NMI at 53.3%

Business Activity Index at 52.2%

New Orders Index at 52.2%

Employment Index at 55.8%

## NON-MANUFACTURING AT A GLANCE

September 2024

Index	Series Index Sep	Series Index Aug	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	53.3	54.5	-1.2	Growing	Slower	23	46.9	58.5	60.8	48.1	57.7	45.1	56.7	50.5
Business Activity	52.2	57.2	-5.0	Growing	Slower	7	41.7	55.4	62.2	44.9	66.7	44.1	55.8	49.0
New Orders	52.2	51.5	+0.7	Growing	Faster	19	37.5	53.6	67.6	56.4	57.1	33.3	57.7	53.1
Employment	55.8	56.3	-0.5	Growing	Slower	19	54.2	64.3	58.1	44.9	57.1	52.9	59.6	51.9
Supplier Deliveries	53.1	52.9	+0.2	Slowing	Faster	16	54.2	60.7	55.4	46.2	50.0	50.0	53.8	48.1
Inventories	50.7	51.2	-0.5	Growing	Slower	6	50.0	51.8	52.7	48.7	45.2	50.0	51.9	52.9
Prices	58.6	59.8	-1.2	Increasing	Slower	105	75.0	58.9	60.8	46.2	64.3	55.9	55.8	57.7
Backlog of Orders	48.9	51.0	-2.1	Contracting	From Growing	1	37.5	48.2	54.1	48.7	50.0	44.1	57.7	52.9
New Export Orders	36.8	45.1	-8.3	Contracting	Faster	3	37.5	16.7	50.0	50.0	43.8	16.7	46.2	42.3
Imports	50.6	52.1	-1.5	Growing	Slower	5	41.7	53.6	57.7	50.0	59.1	50.0	57.1	43.8
Service Charge	51.7	55.3	-3.6	Increasing	Slower	52	50.0	55.6	59.1	50.0	47.6	47.1	48.1	51.9
Inventory Sentiment	49.5	50.7	-1.2	Too Low	From Too High	1	50.0	41.1	48.6	44.9	52.4	44.1	51.9	60.6
Future Outlooks	53.1	54.6	-1.5	Growing	Slower	11	70.8	53.6	59.5	55.1	54.8	47.1	50.0	45.2

Chart 1: Time Series of Taiwan NMI

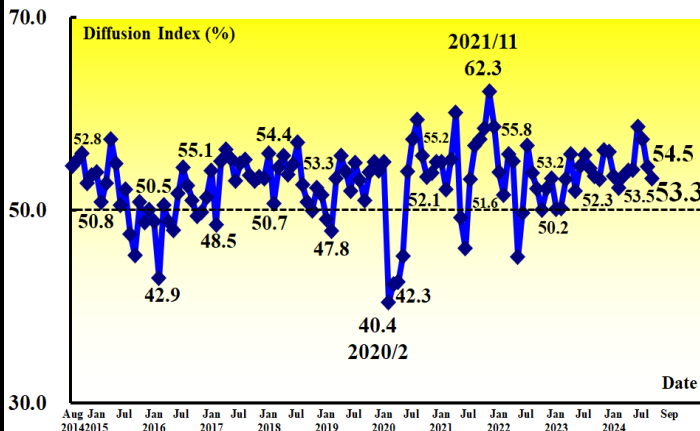
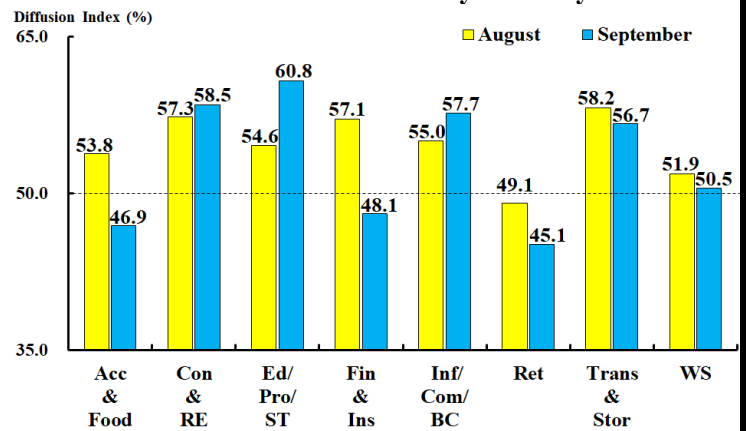


Chart 2: Performance by Industry



### Summary

- The Taiwan non-manufacturing sector grew for twenty-three consecutive months but decelerated. The seasonally unadjusted Taiwan NMI further fell 1.2 percentage points to 53.3 percent and registered the slowest growth rate since March 2024.
- The Business Activity Index grew at a slower rate as the index decreased 5.0 percentage points to 52.2 percent.
- Non-Manufacturers' new orders remained in growing as the seasonally unadjusted New Orders Index increased 0.7 percentage point to 52.2 percent, up from the slowest pace of 51.5 percent since November 2023.
- The Employment Index still grew in September but further fell 0.5 percentage point to 55.8 percent.
- The delivery performance of suppliers to the non-manufacturing sector was slower for sixteen consecutive months as the Supplier Deliveries Index slightly rose 0.2 percentage point to 53.1 percent.
- Non-manufacturers continuously experienced upward pressures on their purchasing costs, as the Prices Index decreased 1.2 percentage points to 58.6 percent.
- Non-Manufacturers' backlog reversed its recent trend of growth and contracted during September as the Backlog of Orders Index further decreased 2.1 percentage points to 48.9 percent.
- Non-manufacturers continued charging higher service prices for fifty-two consecutive months while the Service Charge Index further fell 3.6 percentage points to 51.7 percent, registering the lowest reading since September 2023.
- The Future Outlooks Index grew for the eleventh consecutive month while the index further fell 1.5 percentage points to 53.1 percent and registered the slowest growth rate since November 2023.
- Of the eight non-manufacturing industries categories, five are reporting growth in the following order: Ed/Pro/ST (60.8%), Con & RE (58.5%), Inf/Com/BC (57.7%), Trans & Stor (56.7%) and WS (50.5%). While Ret (45.1%), Acc & Food (46.9%) and Fin & Ins (48.1%) reported contraction in September.

## 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.

## Contact Information:

**For economics comments, data and technical queries, please contact:**

**Shin-Hui Chen, Ph.D.**

Associate Research Fellow, Division of Taiwan Economy Chung-Hua Institution for Economic Research

E-Mail: [csch@cier.edu.tw](mailto:csch@cier.edu.tw)

Tel: +(886) 2 27356006 ext. 623

[www.cier.edu.tw](http://www.cier.edu.tw)

**For industry comments, please contact:**

**Guo-Ming, Liao (TonyLiao)**

Chairman

Supply Management Institute, Taiwan

E-Mail: [tonyliaw@smit.org.tw](mailto:tonyliaw@smit.org.tw)

Tel: +(886) 2 27595000

[www.smit.org.tw](http://www.smit.org.tw)