

February 2025 Taiwan Non-Manufacturing Index

NMI at 49.2%

Business Activity Index at 45.4%

New Orders Index at 47.0%

Employment Index at 50.9%

NON-MANUFACTURING AT A GLANCE

February 2025

Index	Series Index Feb	Series Index Jan	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	49.2	55.0	-5.8	Contracting	From Growing	1	42.7	53.0	56.3	48.2	54.2	33.8	50.0	46.6
Business Activity	45.4	56.9	-11.5	Contracting	From Growing	1	37.5	48.3	57.5	47.6	50.0	18.4	48.1	40.6
New Orders	47.0	54.2	-7.2	Contracting	From Growing	1	37.5	41.4	58.8	48.8	59.5	30.0	50.0	45.8
Employment	50.9	54.8	-3.9	Growing	Slower	24	50.0	62.1	56.3	47.6	50.0	34.2	48.1	48.1
Supplier Deliveries	53.4	54.0	-0.6	Slowing	Slower	21	45.8	60.3	52.5	48.8	57.1	52.6	53.7	51.9
Inventories	50.9	51.6	-0.7	Growing	Slower	11	33.3	53.4	50.0	53.6	50.0	50.0	51.9	52.8
Prices	59.2	63.1	-3.9	Increasing	Slower	110	54.2	60.3	61.3	51.2	57.1	60.5	48.1	62.3
Backlog of Orders	45.9	51.0	-5.1	Contracting	From Growing	1	29.2	41.4	52.5	48.8	54.8	39.5	42.6	43.4
New Export Orders	45.3	51.7	-6.4	Contracting	From Growing	1	25.0	37.5	50.0	64.3	62.5	25.0	26.9	45.0
Imports	48.0	52.7	-4.7	Contracting	From Growing	1	41.7	50.0	57.1	50.0	45.5	25.0	28.6	55.1
Service Charge	53.5	56.1	-2.6	Increasing	Slower	57	45.8	53.6	51.4	48.8	54.8	60.5	53.7	55.7
Inventory Sentiment	50.8	51.6	-0.8	Too High	Slower	5	45.8	51.7	46.3	48.8	50.0	55.3	46.3	54.7
Future Outlooks	51.4	49.6	+1.8	Growing	From Contracting	1	41.7	48.3	66.3	50.0	59.5	52.6	44.4	45.3

Chart 1: Time Series of Taiwan NMI

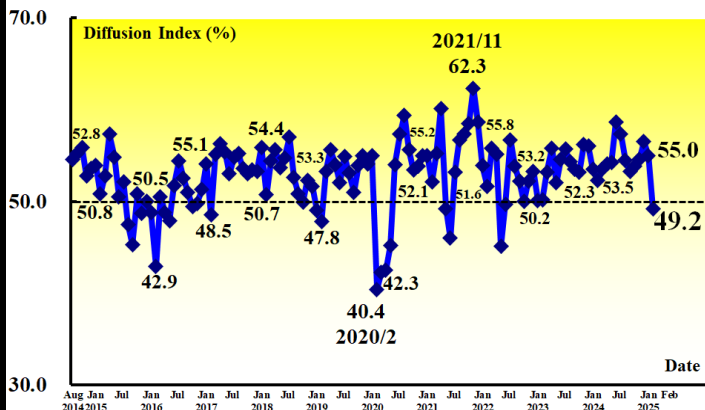
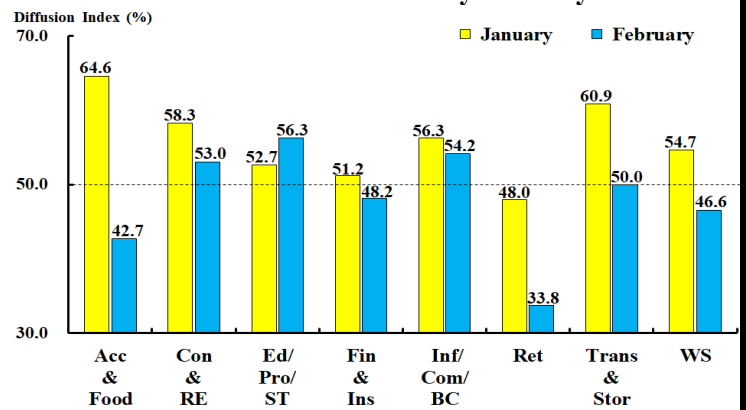


Chart 2: Performance by Industry



Summary

- The non-manufacturing sector turned to contraction following twenty-seven consecutive months of growth as the seasonally unadjusted Taiwan NMI fell 5.8 percentage points to 49.2 percent in February 2025.
- Non-manufacturers' business activity and new orders turned to contraction in February. The Business Activity and New Orders Indexes registered 45.4 and 47.0 percent in February, dropping 11.5 and 7.2 percentage points, respectively.
- Non-manufacturing employment continued to grow for twenty-four consecutive months while the Employment Index further decreased 3.9 percentage points to 50.9 percent.
- The Inventories Index grew for the eleventh consecutive month but inched down 0.7 percentage point to 50.9 percent.
- Non-manufacturers continued to experience upward pressures on their purchasing costs. The Prices Index registered 59.2 percent, down from the fastest growth rate of 63.1 percent since June 2024.
- Non-manufacturers' backlogs turned to contraction following two months of growth as the Backlog of Orders Index went down 5.1 percentage points to 45.9 percent.
- Non-manufacturers continued to charge higher service prices for fifty-seven consecutive months as the Service Charge Index registered 53.5 percent, decreasing 2.6 percentage points from the highest reading of 56.1 percent since July 2024.
- The Future Outlooks Index returned to growth following only one month of contraction and increased 1.8 percentage points to 51.4 percent.
- Four of the eight non-manufacturing industries' categories reported contraction in February 2025 in the following order: Ret (33.8%), Acc & Food (42.7%), WS (46.6%) and Fin & Ins (48.2%). Ed/Pro/ST (56.3%), Inf/Com/BC (54.2%) and Con & RE (53.0%) reported growth. Only Trans & Stor (50.0%) reported unchanged in February 2025.

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: cshe@cier.edu.tw

Tel: +(886) 2 27356006 ext. 623

www.cier.edu.tw

For industry comments, please contact:

Guo-Ming, Liao (TonyLiao)

Chairman

Supply Management Institute, Taiwan

E-Mail: tonyliaw@smit.org.tw

Tel: +(886) 2 27595000

www.smit.org.tw