

January 2025 Taiwan Non-Manufacturing Index

NMI at 55.0%

Business Activity Index at 56.9%

New Orders Index at 54.2%

Employment Index at 54.8%

NON-MANUFACTURING AT A GLANCE

January 2025

Index	Series Index Jan	Series Index Dec	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	55.0	56.5	-1.5	Growing	Slower	27	64.6	58.3	52.7	51.2	56.3	48.0	60.9	54.7
Business Activity	56.9	59.7	-2.8	Growing	Slower	11	54.2	59.3	50.0	52.3	61.4	52.3	66.7	58.3
New Orders	54.2	57.2	-3.0	Growing	Slower	23	58.3	55.6	52.4	50.0	56.8	37.5	72.9	54.0
Employment	54.8	55.6	-0.8	Growing	Slower	23	70.8	63.0	54.9	53.5	52.3	45.5	54.2	52.8
Supplier Deliveries	54.0	53.6	+0.4	Slowing	Faster	20	75.0	55.6	53.7	48.8	54.5	56.8	50.0	53.7
Inventories	51.6	50.6	+1.0	Growing	Faster	10	70.8	46.3	45.1	53.5	54.5	59.1	52.1	49.1
Prices	63.1	58.8	+4.3	Increasing	Faster	109	70.8	61.1	67.1	50.0	65.9	61.4	77.1	63.9
Backlog of Orders	51.0	50.2	+0.8	Growing	Faster	2	41.7	53.7	53.7	45.3	50.0	50.0	50.0	54.6
New Export Orders	51.7	49.2	+2.5	Growing	From Contracting	1	12.5	75.0	46.2	42.9	55.6	50.0	63.6	44.0
Imports	52.7	51.4	+1.3	Growing	Faster	2	41.7	46.7	53.6	50.0	45.8	60.0	77.3	47.8
Service Charge	56.1	55.5	+0.6	Increasing	Faster	56	54.2	57.7	55.4	51.2	50.0	56.8	56.3	54.6
Inventory Sentiment	51.6	50.7	+0.9	Too High	Faster	4	62.5	48.1	50.0	47.7	52.3	54.5	43.8	56.5
Future Outlooks	49.6	50.5	-0.9	Contracting	From Growing	1	50.0	48.1	52.4	50.0	52.3	47.7	52.1	46.3

Chart 1: Time Series of Taiwan NMI

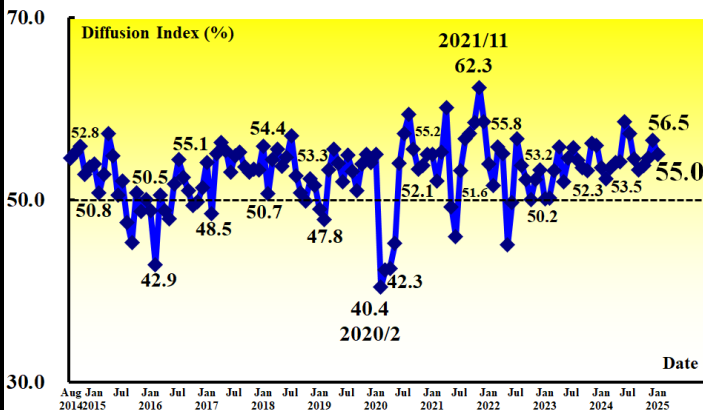
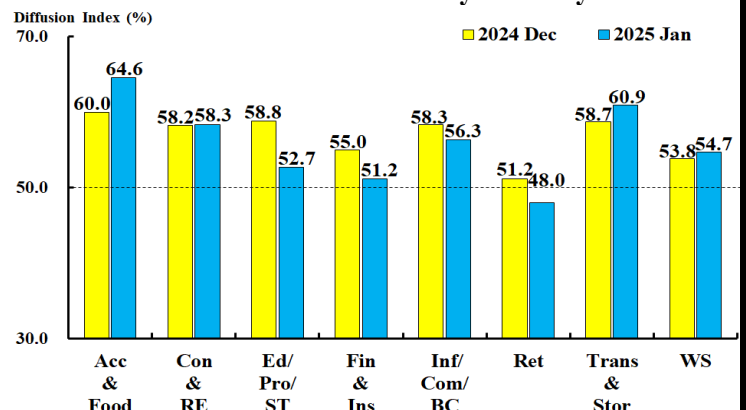


Chart 2: Performance by Industry



Summary

- The non-manufacturing sector continued its growth trend for twenty-seven consecutive months while the seasonally unadjusted Taiwan NMI dropped 1.5 percentage points to 55.0 percent in January 2025.
- Non-manufacturers' business activity and new orders remained in growth territory but decelerated. The Business Activity and New Orders Indexes registered 56.9 and 54.2 percent in January, dropping 2.8 and 3.0 percentage points, respectively.
- Non-manufacturing employment continued to grow for twenty-three consecutive months as the Employment Index slightly fell 0.8 percentage point to 54.8 percent.
- The Inventories Index grew for the tenth consecutive month and slightly increased 1.0 percentage point to 51.6 percent, up from the lowest recorded level of 50.6 percent since April 2024.
- Non-manufacturers continuously experienced upward pressures on their purchasing costs, as the Prices Index increased 4.3 percentage points to 63.1 percent, the highest level since June 2024.
- Non-manufacturers' backlogs grew for two consecutive months as the Backlog of Orders Index went up 0.8 percentage point to 51.0 percent.
- The New Export Orders Index turned to growth following six months of contraction and further increased 2.5 percentage points to 51.7 percent.
- Non-manufacturers continued charging higher service prices for fifty-six consecutive months as the Service Charge Index further increased 0.6 percentage point to 56.1 percent, the highest reading since July 2024.
- The Future Outlooks Index decreased 0.9 percentage point to 49.6 percent, indicating contraction for the first time since November 2023.
- Seven of the eight non-manufacturing industries' categories reported growth in January 2025 in the following order: Acc & Food (64.6%), Trans & Stor (60.9%), Con & RE (58.3%), Inf/Com/BC (56.3%), WS (54.7%), Ed/Pro/ST (52.7%) and Fin & Ins (51.2%). Only Ret (48.0%) reported contraction in January 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.

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