

November 2024 Taiwan Non-Manufacturing Index

NMI at 54.6%

Business Activity Index at 55.2%

New Orders Index at 54.8%

Employment Index at 54.1%

NON-MANUFACTURING AT A GLANCE

November 2024

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	54.6	53.8	+0.8	Growing	Faster	25	59.1	54.0	56.4	49.4	53.9	55.5	51.9	56.4
Business Activity	55.2	53.8	+1.4	Growing	Faster	9	54.5	46.4	56.4	55.1	57.9	60.5	50.0	61.8
New Orders	54.8	51.1	+3.7	Growing	Faster	21	59.1	48.2	62.8	44.9	60.5	64.3	51.9	53.1
Employment	54.1	55.6	-1.5	Growing	Slower	21	59.1	60.7	55.1	50.0	47.4	44.7	55.6	53.9
Supplier Deliveries	54.4	54.6	-0.2	Slowing	Slower	18	63.6	60.7	51.3	47.4	50.0	52.6	50.0	56.9
Inventories	52.8	52.7	+0.1	Growing	Faster	8	68.2	53.6	48.7	51.3	44.7	52.6	48.1	59.8
Prices	61.2	61.0	+0.2	Increasing	Faster	107	81.8	55.4	57.7	47.4	57.9	63.2	70.4	65.7
Backlog of Orders	46.9	48.6	-1.7	Contracting	Faster	3	45.5	46.4	48.7	47.4	50.0	39.5	46.3	49.0
New Export Orders	44.2	43.5	+0.7	Contracting	Slower	5	62.5	30.0	46.2	50.0	50.0	37.5	53.8	50.0
Imports	48.0	57.9	-9.9	Contracting	From Growing	1	50.0	43.3	53.6	43.8	60.0	43.8	50.0	52.4
Service Charge	52.9	55.4	-2.5	Increasing	Slower	54	77.3	51.9	57.1	47.4	55.3	50.0	53.7	51.0
Inventory Sentiment	50.2	51.5	-1.3	Too High	Slower	2	54.5	46.4	46.2	50.0	50.0	42.1	46.3	64.7
Future Outlooks	50.6	51.5	-0.9	Growing	Slower	13	63.6	42.9	52.6	51.3	50.0	55.3	57.4	48.0

Chart 1: Time Series of Taiwan NMI

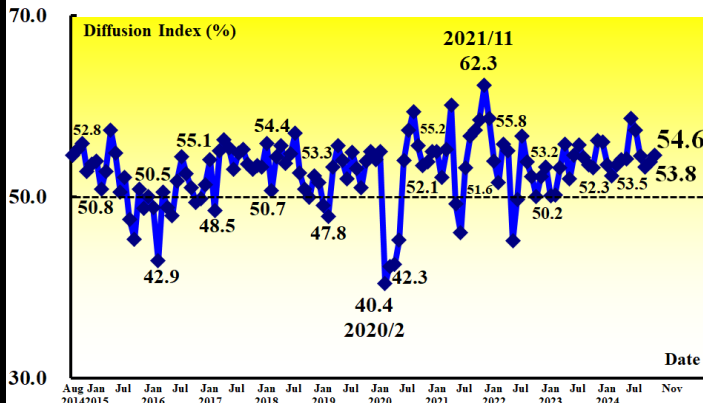
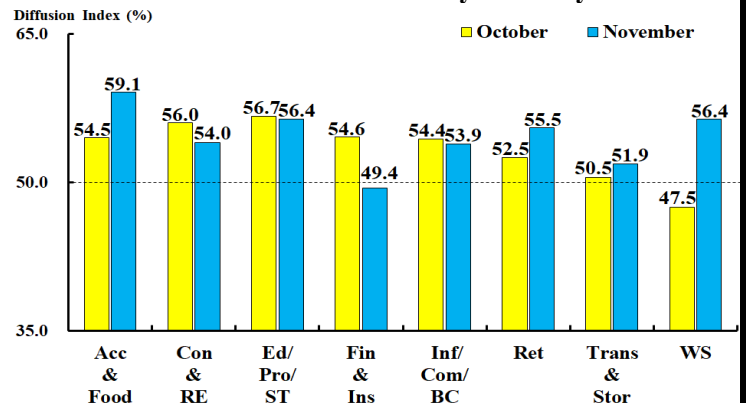


Chart 2: Performance by Industry



Summary

- The seasonally unadjusted Taiwan NMI slightly rose 0.8 percentage point to 54.6 percent, indicating growth in non-manufacturing sector for twenty-five consecutive months.
- The Business Activity Index grew for the ninth consecutive month and increased 1.4 percentage points to 55.2 percent.
- The seasonally unadjusted New Orders Index increased 3.7 percentage points to 54.8 percent, up from the slowest growth rate (51.1 percent) since November 2023.
- Non-manufacturing employment grew for the twenty-first consecutive month while the Employment Index further fell 1.5 percentage points to 54.1 percent.
- The Inventories Index grew for eight consecutive months and registered 52.8 percent, the fastest growth rate since February 2024.
- The Prices Index inched up 0.2 percentage point to 61.2 percent and remained above 60.0 percent for two consecutive months.
- The Backlog of Orders Index fell 1.7 percentage points to 46.9 percent, the fastest contraction rate since September 2023.
- The Imports Index reversed its recent trend of growth and contracted for the first time in the past seven months, as the index fell 9.9 percentage points to 48.0 percent.
- Non-manufacturers continued charging higher service prices for fifty-four consecutive months as the Service Charge Index decreased 2.5 percentage points to 52.9 percent.
- The Future Outlooks Index grew for thirteen consecutive months while the index further fell 0.9 percentage point to 50.6 percent, the slowest growth rate since November 2023.
- Of the eight non-manufacturing industries categories, seven are reporting growth in the following order: Acc & Food (59.1%), Ed/Pro/ST (56.4%), WS (56.4%), Ret (55.5%), Con & RE (54.0%), Inf/Com/BC (53.9%) and Trans & Stor (51.9%). Only Fin & Ins (49.4%) reported contraction 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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