

# April 2024 Taiwan Non-Manufacturing Index

NMI at 54.1%

Business Activity Index at 56.7%

New Orders Index at 54.2%

Employment Index at 53.6%

## NON-MANUFACTURING AT A GLANCE

April 2024

Index	Series Index Apr	Series Index Mar	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	54.1	53.5	+0.6	Growing	Faster	18	37.5	54.7	61.9	60.9	61.3	45.3	53.8	50.6
Business Activity	56.7	53.4	+3.3	Growing	Faster	2	40.0	58.3	61.3	70.5	64.3	50.0	57.7	50.0
New Orders	54.2	54.4	-0.2	Growing	Slower	14	35.0	60.4	67.5	66.7	69.0	28.6	55.8	44.8
Employment	53.6	53.6	+0.0	Growing	Same	14	40.0	50.0	57.5	56.4	59.5	57.5	50.0	52.9
Supplier Deliveries	52.0	52.8	-0.8	Slowing	Slower	11	35.0	50.0	61.3	50.0	52.4	45.0	51.9	54.8
Inventories	52.1	49.0	+3.1	Growing	From Contracting	1	45.0	47.9	52.5	56.4	50.0	60.0	53.8	51.9
Prices	68.5	62.2	+6.3	Increasing	Faster	100	75.0	66.7	70.0	69.2	64.3	67.5	69.2	69.2
Backlog of Orders	49.0	47.6	+1.4	Contracting	Slower	2	25.0	52.1	60.0	51.3	52.4	30.0	51.9	54.8
New Export Orders	48.9	53.5	-4.6	Contracting	From Growing	1	50.0	42.9	50.0	69.2	56.3	33.3	62.5	48.7
Imports	48.7	54.2	-5.5	Contracting	From Growing	1	35.0	46.4	57.1	50.0	60.0	43.8	53.8	47.5
Service Charge	55.3	53.6	+1.7	Increasing	Faster	47	35.0	56.5	61.1	60.3	47.6	55.0	55.8	54.8
Inventory Sentiment	50.4	49.9	+0.5	Too High	From Too Low	1	55.0	43.8	48.8	44.9	52.4	55.0	46.2	57.7
Future Outlooks	54.9	59.1	-4.2	Growing	Slower	6	60.0	56.3	60.0	56.4	45.2	50.0	55.8	51.9

Chart 1: Time Series of Taiwan NMI

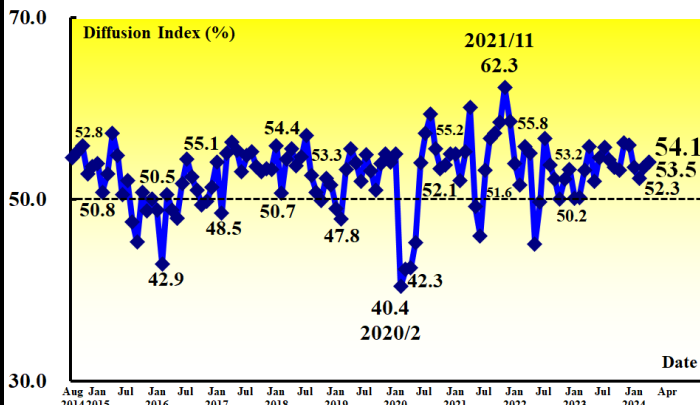
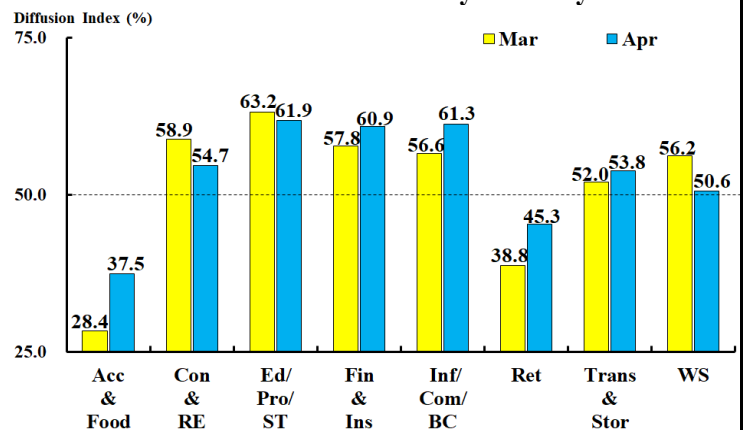


Chart 2: Performance by Industry



### Summary

- The Taiwan non-manufacturing sector grew for the eighteenth consecutive month as the seasonally unadjusted Taiwan NMI increased 0.6 percentage point to 54.1 percent.
- Non-manufacturers' business activity grew for the second consecutive month as the seasonally unadjusted Business Activity Index further rose 3.3 percentage points to 56.7 percent.
- The New Orders Index grew for fourteen consecutive months, slightly decreasing 0.2 percentage point to 54.2 percent.
- The Employment Index grew at the same rate as in March and registered 53.6 percent in April.
- Non-manufacturers reported deliveries slowing for the eleventh consecutive month as the Supplier Deliveries Index registered 52.0 percent in April, decreasing 0.8 percentage point from the 52.8 percent recorded in March.
- The Inventories Index turned to growing following only one month of contraction and increased 3.1 percentage points to 52.1 percent in April.
- Non-manufacturers continuously experienced upward pressures on their purchasing or operation costs, as the Prices Index rose 6.3 percentage points to 68.5 percent, the highest reading since August 2022.
- The Backlog of Orders Index registered 49.0 percent, indicating contraction for the second consecutive month.
- Non-manufacturers continued charging higher service prices for forty-seven consecutive months as the Service Charge Index went up 1.7 percentage points to 55.3 percent, recording its highest reading since July 2023.
- The Future Outlooks Index grew for the sixth consecutive month but dropped 4.2 percentage points to 54.9 percent, down from the fastest growth rate (59.1 percent) since March 2022.
- Six among eight non-manufacturing industries categories reported expansion in the following order: Ed/Pro/ST (61.9%), Inf/Com/BC (61.3%), Fin & Ins (60.9%), Con & RE (54.7%), Trans & Stor (53.8%) and WS (50.6%). While Acc & Food (37.5%) and Ret (45.3%) industries categories contracted in April.

## 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: [csh@cier.edu.tw](mailto:csh@cier.edu.tw)

Tel: +(886) 2 27356006 ext. 623

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

**For industry comments, please contact:**

**Shu-Shin (Steve) Lai**

Honorary Chairman

Supply Management Institute, Taiwan

E-Mail: [shushin.lai@gmail.com](mailto:shushin.lai@gmail.com)

Tel: +(886) 2 27495889

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