

July 2025 Taiwan Non-Manufacturing Index

NMI at 52.8%

Business Activity Index at 52.7%

New Orders Index at 51.2%

Employment Index at 52.8%

NON-MANUFACTURING AT A GLANCE

July 2025

| Unit : % | | | | | | | Industries | | | | | | | |
|---------------------|-------------------|-------------------|-------------------------|-------------|----------------|----------------|------------|----------|-------------|-----------|--------------|------|--------------|------|
| Index | Series Index July | Series Index June | Percentage Point Change | Direction | Rate of Change | Trend (Months) | Acc & Food | Con & RE | Ed/ Pro/ ST | Fin & Ins | Inf/ Com/ BC | Ret | Trans & Stor | WS |
| Taiwan NMI | 52.8 | 54.3 | -1.5 | Growing | Slower | 5 | 50.0 | 52.9 | 57.4 | 54.3 | 50.6 | 55.1 | 44.6 | 48.6 |
| Business Activity | 52.7 | 57.1 | -4.4 | Growing | Slower | 3 | 46.2 | 48.3 | 57.4 | 62.9 | 45.0 | 61.8 | 39.3 | 43.6 |
| New Orders | 51.2 | 51.8 | -0.6 | Growing | Slower | 3 | 57.7 | 45.0 | 54.4 | 57.1 | 55.0 | 50.0 | 39.3 | 48.8 |
| Employment | 52.8 | 54.3 | -1.5 | Growing | Slower | 29 | 53.8 | 55.0 | 61.8 | 48.6 | 55.0 | 55.9 | 53.6 | 44.7 |
| Supplier Deliveries | 54.5 | 54.3 | +0.2 | Slowing | Faster | 26 | 42.3 | 63.3 | 55.9 | 48.6 | 47.5 | 52.9 | 46.4 | 57.4 |
| Inventories | 52.4 | 54.4 | -2.0 | Growing | Slower | 4 | 50.0 | 60.0 | 54.4 | 48.6 | 52.5 | 64.7 | 42.9 | 41.5 |
| Prices | 61.1 | 60.8 | +0.3 | Increasing | Faster | 115 | 69.2 | 55.0 | 64.7 | 50.0 | 52.5 | 76.5 | 57.1 | 64.9 |
| Backlog of Orders | 45.2 | 46.3 | -1.1 | Contracting | Faster | 4 | 15.4 | 41.7 | 51.5 | 45.7 | 47.5 | 58.8 | 46.4 | 39.4 |
| New Export Orders | 49.7 | 55.5 | -5.8 | Contracting | From Growing | 1 | 30.0 | 66.7 | 45.8 | 39.3 | 43.8 | 50.0 | 40.6 | 44.4 |
| Imports | 48.2 | 51.6 | -3.4 | Contracting | From Growing | 1 | 38.5 | 44.1 | 53.8 | 33.3 | 50.0 | 50.0 | 44.1 | 44.4 |
| Service Charge | 54.0 | 53.1 | +0.9 | Increasing | Faster | 62 | 46.2 | 43.1 | 54.8 | 61.4 | 55.0 | 58.8 | 48.2 | 57.4 |
| Inventory Sentiment | 51.4 | 52.5 | -1.1 | Too High | Slower | 10 | 46.2 | 50.0 | 51.5 | 48.6 | 47.5 | 55.9 | 46.4 | 57.4 |
| Future Outlooks | 40.6 | 40.3 | +0.3 | Contracting | Slower | 5 | 42.3 | 41.7 | 48.5 | 37.1 | 37.5 | 38.2 | 41.1 | 37.2 |

Chart 1: Time Series of Taiwan NMI

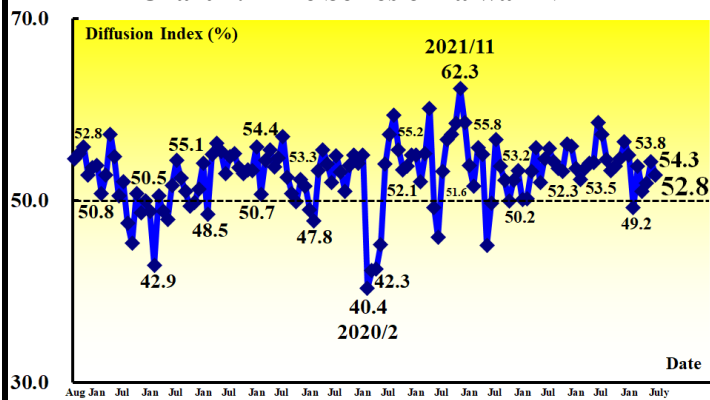
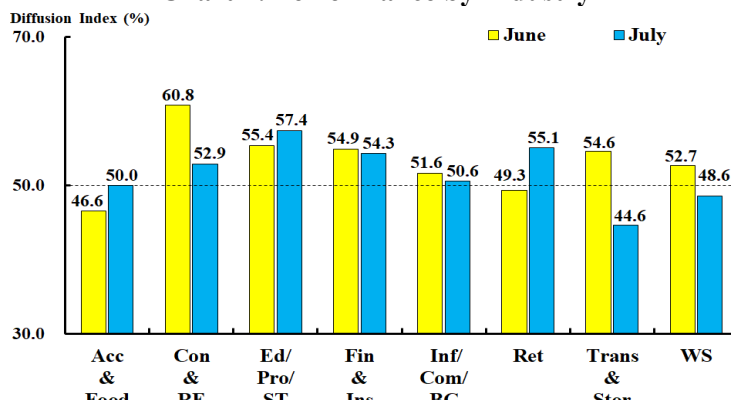


Chart 2: Performance by Industry



Summary

- The non-manufacturing sector expanded for five consecutive months while the seasonally unadjusted Taiwan NMI went down 1.5 percentage points to 52.8 percent in July.
- Both the Business Activity and New Orders Index decelerated and went down 4.4 and 0.6 percentage points to 52.7 and 51.2 percent, respectively.
- The Inventories Index remained in growth for the fourth consecutive month, decreasing 2.0 percentage points to 52.4 percent, down from the fastest growth rate of 54.4 percent since February 2023.
- Non-manufacturers continued to experience upward pressures on their purchasing costs as the Prices Index inched up 0.3 percentage point to 61.1 percent and remained above 60.0 percent for the fifth consecutive month.
- The Backlog of Orders Index decreased 1.1 percentage points to 45.2 percent, indicating that non-manufacturers' backlogs contracted for four consecutive months.
- Non-manufacturers continued to charge higher service prices for sixty-two consecutive months, as the Service Charge Index increased 0.9 percentage point to 54.0 percent.
- Non-manufacturers believe their inventories are still high for the tenth consecutive month. The Inventories Sentiment Index decreased 1.1 percentage points to 51.4 percent from the highest reading of 52.5 percent since February 2024.
- The Future Outlooks Index contracted for five months and slightly increased 0.3 percentage point to 40.6 percent, marking the longest period of contraction since June 2023.
- Five of the eight non-manufacturing industries categories reported growing in the following order: Ed/Pro/ST (57.4%), Ret (55.1%), Fin & Ins (54.3%), Con & RE (52.9%) and Inf/Com/BC (50.6%). While Trans & Stor (44.6%) and WS (48.6%) reported contracting in July 2025. Only Acc & Food (50.0%) industry reported unchanged from June.

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

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