**January 2024 Taiwan Non-Manufacturing Index**

**NMI at 53.5%**

**Business Activity Index at 52.8%**

**New Orders Index at 51.6%**

**Employment Index at 58.3%**

**NON-MANUFACTURING AT A GLANCE**

January 2024

<table>
<thead>
<tr>
<th>Index</th>
<th>Series Index</th>
<th>Series Index</th>
<th>Percentage Point Change</th>
<th>Direction</th>
<th>Rate of Change</th>
<th>Trend (Months)</th>
<th>Acc &amp; Food</th>
<th>Con &amp; RE</th>
<th>Ed/Pro ST</th>
<th>Fin &amp; Ins</th>
<th>Inf/Com BC</th>
<th>Ret &amp; Stor</th>
<th>WS</th>
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</thead>
<tbody>
<tr>
<td>Taiwan NMI</td>
<td>53.5</td>
<td>56.0</td>
<td>-2.5</td>
<td>Growing</td>
<td>Slower</td>
<td>15</td>
<td>58.9</td>
<td>55.0</td>
<td>59.5</td>
<td>56.3</td>
<td>51.3</td>
<td>45.3</td>
<td>49.5</td>
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<tr>
<td>Business Activity</td>
<td>52.8</td>
<td>58.8</td>
<td>-6.0</td>
<td>Growing</td>
<td>Slower</td>
<td>12</td>
<td>57.1</td>
<td>54.0</td>
<td>60.6</td>
<td>55.6</td>
<td>47.4</td>
<td>32.2</td>
<td>48.0</td>
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<tr>
<td>New Orders</td>
<td>51.6</td>
<td>56.3</td>
<td>-4.7</td>
<td>Growing</td>
<td>Slower</td>
<td>11</td>
<td>57.1</td>
<td>48.0</td>
<td>63.6</td>
<td>58.3</td>
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<td>40.0</td>
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<tr>
<td>Employment</td>
<td>58.3</td>
<td>55.9</td>
<td>+2.4</td>
<td>Growing</td>
<td>Faster</td>
<td>11</td>
<td>64.3</td>
<td>68.0</td>
<td>56.1</td>
<td>61.1</td>
<td>52.6</td>
<td>55.9</td>
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<td>Supplier Deliveries</td>
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<td>53.0</td>
<td>-1.6</td>
<td>Slowing</td>
<td>Slower</td>
<td>8</td>
<td>57.1</td>
<td>50.0</td>
<td>57.6</td>
<td>50.0</td>
<td>52.6</td>
<td>47.1</td>
<td>54.0</td>
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<tr>
<td>Inventories</td>
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<td>+3.6</td>
<td>Growing</td>
<td>Faster</td>
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<td>64.3</td>
<td>50.0</td>
<td>59.7</td>
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<td>64.7</td>
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<td>49.1</td>
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<tr>
<td>Prices</td>
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<td>59.5</td>
<td>+2.6</td>
<td>Increasing</td>
<td>Faster</td>
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<td>64.3</td>
<td>64.0</td>
<td>62.1</td>
<td>56.9</td>
<td>60.5</td>
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<td>Backlog of Orders</td>
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<td>50.6</td>
<td>-3.4</td>
<td>Contracting</td>
<td>From Growing</td>
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<td>50.0</td>
<td>42.0</td>
<td>50.0</td>
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<td>New Export Orders</td>
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<td>Contracting</td>
<td>Slower</td>
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<td>100.0</td>
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<td>Service Charge</td>
<td>52.5</td>
<td>54.4</td>
<td>-1.9</td>
<td>Increasing</td>
<td>Slower</td>
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<td>64.3</td>
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<td>Inventory Sentiment</td>
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<td>Too High</td>
<td>Slower</td>
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<td>64.3</td>
<td>44.0</td>
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<td>48.0</td>
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<tr>
<td>Future Outlooks</td>
<td>55.2</td>
<td>57.8</td>
<td>-2.6</td>
<td>Growing</td>
<td>Slower</td>
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<td>57.1</td>
<td>56.0</td>
<td>56.1</td>
<td>56.9</td>
<td>52.6</td>
<td>58.8</td>
<td>46.0</td>
</tr>
</tbody>
</table>

**Summary**

- The Taiwan non-manufacturing sector grew for the fifteenth consecutive month while the seasonally unadjusted Taiwan NMI further decreased 2.5 percentage points to 53.5 percent.
- Both the Business Activity and New Orders Indexes remained in growth territory but decelerated, decreasing 6.0 and 4.7 percentage points to 52.8 and 51.6 percent, respectively.
- Non-manufacturers’ employment grew for the eleventh consecutive month as the Employment Index increased 2.4 percentage points to 58.3 percent, marking the fastest growth rate since December 2021.
- Non-manufacturers reported deliveries slowing for the eighth consecutive month as the Supplier Deliveries Index registered 51.4 percent in January, decreased 1.6 percentage points from the 53.0 percent recorded in December 2023.
- The Inventories Index grew for the fifth consecutive month as increased 3.6 percentage points to 54.0 percent, registering the fastest growth rate since February 2023.
- Non-manufacturers continued experiencing upward pressures on their purchasing or operation costs for ninety-seven consecutive months, as the Prices Index increased 2.6 percentage points to 62.1 percent.
- The Backlog of Orders Index turned to contraction following two consecutive months of growth and registered 47.2 percent in January 2024, down from the 50.6 percent reported in December 2023.
- Non-manufacturers continued charging higher service prices for forty-four consecutive months while the Service Charge Index further went down 1.9 percentage points to 52.5 percent.
- The Future Outlooks Index grew for the third consecutive month while the index decreased 2.6 percentage points to 55.2 percent, down from the fastest growth rate (57.8 percent) since March 2022.
- Five among eight non-manufacturing industries categories reported expansion in the following order: Ed/Pro/ST (59.5%), Acc & Food (58.9%), Fin & Ins (56.3%), Con & RE (55.0%) and Inf/Com/BC (51.3%). While Ret (45.3%), Trans & Stor (49.5%) and WS (49.9%) industries categories contracted in January.
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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