

November 2021 Taiwan Non-Manufacturing Index

NMI at 62.3%

Business Activity Index at 66.0%

New Orders Index at 63.8%

Employment Index at 58.9%

NON-MANUFACTURING AT A GLANCE

November 2021

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	62.3	58.5	+3.8	Growing	Faster	5	70.0	71.0	60.9	57.6	56.9	63.0	61.2	59.9
Business Activity	66.0	61.3	+4.7	Growing	Faster	5	70.0	75.0	64.5	60.9	66.7	71.1	67.9	59.4
New Orders	63.8	59.0	+4.8	Growing	Faster	5	80.0	73.2	64.5	62.0	61.1	62.5	64.3	50.0
Employment	58.9	56.6	+2.3	Growing	Faster	5	65.0	75.0	58.1	54.3	55.6	52.6	53.6	56.3
Supplier Deliveries	60.5	57.3	+3.2	Slowing	Faster	25	65.0	60.7	56.5	53.3	44.4	65.8	58.9	74.0
Inventories	50.7	53.8	-3.1	Growing	Slower	4	70.0	44.6	50.0	53.3	41.7	52.6	48.2	51.0
Prices	70.3	69.5	+0.8	Increasing	Faster	71	80.0	83.9	62.9	53.3	52.8	76.3	62.5	80.2
Backlog of Orders	55.8	53.1	+2.7	Growing	Faster	2	60.0	62.5	53.2	56.5	58.3	57.9	53.6	51.0
New Export Orders	49.9	53.8	-3.9	Contracting	From Growing	1	33.3	50.0	43.8	56.7	57.1	50.0	58.3	43.8
Imports	54.4	49.3	+5.1	Growing	From Contracting	1	65.0	50.0	60.0	50.0	55.0	40.0	67.9	57.4
Service Charge	61.3	59.5	+1.8	Increasing	Faster	18	60.0	81.5	53.6	51.1	55.6	60.5	53.6	61.5
Inventory Sentiment	49.0	50.7	-1.7	Too Low	From Too High	1	45.0	41.1	50.0	50.0	47.2	55.3	44.6	52.1
Future Outlooks	63.7	59.1	+4.6	Growing	Faster	5	70.0	80.4	61.3	59.8	58.3	60.5	66.1	55.2

Chart 1: Time Series of Taiwan NMI

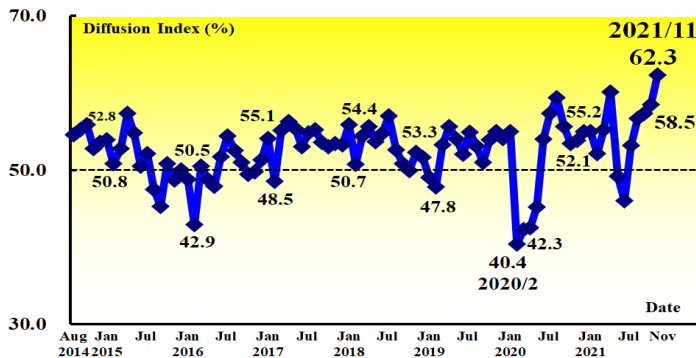
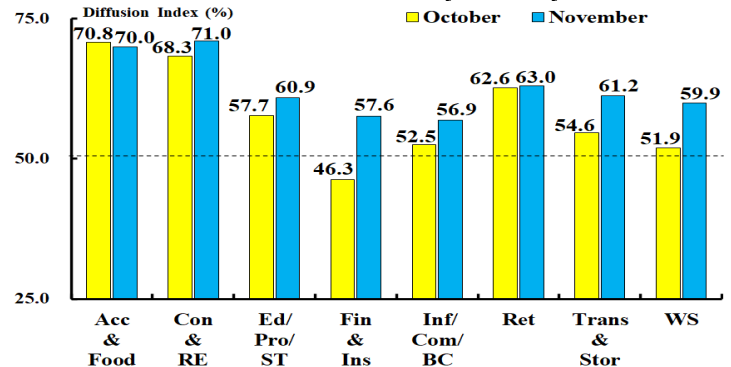


Chart 2: Performance by Industry



Summary

- With the annual big sales season, the revenge spending effect and the non-manufacturers' big discounts for Quintuple Stimulus Vouchers, the Taiwan NMI grew for five consecutive months and further rose 3.8 percentage points to 62.3 percent in November, the highest reading recorded since August 2014.
- Both the Business Activity and New Orders Indexes went up 4.7 and 4.8 percentage points to 66.0 and 63.8 percent, the fastest growth rates for fifteen and seven consecutive months, respectively.
- Non-manufacturers' employment grew for five consecutive months as the Employment Index rose 2.3 percentage points to 58.9 percent in November, indicating the fastest growth rate since September 2014.
- The Supplier Deliveries Index increased 3.2 percentage points to 60.5 percent and marked the highest reading since August 2014.
- The Inventories Index grew for four consecutive months while the index further fell 3.1 percentage points to 50.7 percent.
- The Prices Index maintained above 60.0 percent for twelve consecutive months as the index inched up 0.8 percentage point to 70.3 percent, recording the highest reading since August 2014.
- Non-manufacturers' backlog grew at the fastest pace since August 2014 as the Backlog of Orders Index further went up 2.7 percentage points to 55.8 percent.
- Non-manufacturers charged higher service prices for eighteen consecutive months as the Service Charge Index increased 1.8 percentage points to 61.3 percent and registered the highest reading since August 2014.
- The Inventory Sentiment Index turned from too high to too low as the index fell 1.7 percentage points to 49.0 percent.
- The Future Outlooks Index increased 4.6 percentage points to 63.7 percent, the fastest growth rate since May 2021.
- All non-manufacturing industries categories reported growing in the following order: Con & RE (71.0%), Acc & Food (70.0%), Ret (63.0%), Trans & Stor (61.2%), Ed/Pro/ST (60.9%), WS (59.9%), Fin & Ins (57.6%) and Inf/Com/BC (56.9%).

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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