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April 2022 Taiwan Non-Manufacturing Index

NMI at 55.1%

Business Activity Index at 54.9%
New Orders Index at 52.8%
Employment Index at 53.1%

NON-MANUFACTURING AT A GLANCE
April 2022

Unit : %

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	55.1	55.8	-0.7	Growing	Slower	10	37.5	55.2	60.2	52.7	57.9	60.0	54.0	55.3
Business Activity	54.9	54.8	+0.1	Growing	Faster	2	27.8	48.3	64.1	58.3	57.9	67.6	53.6	53.1
New Orders	52.8	56.7	-3.9	Growing	Slower	2	27.8	50.0	62.5	53.6	60.5	66.7	58.9	45.7
Employment	53.1	54.8	-1.7	Growing	Slower	10	44.4	58.6	57.8	50.0	60.5	44.1	48.2	54.1
Supplier Deliveries	59.5	56.9	+2.6	Slowing	Faster	30	50.0	63.8	56.3	48.8	52.6	61.8	55.4	68.4
Inventories	51.3	51.0	+0.3	Growing	Faster	2	38.9	41.4	51.6	51.2	55.3	70.6	48.2	55.1
Prices	76.1	73.6	+2.5	Increasing	Faster	76	83.3	86.2	68.8	64.3	63.2	76.5	67.9	84.7
Backlog of Orders	46.9	49.6	-2.7	Contracting	Faster	4	5.6	46.6	53.1	44.0	50.0	50.0	50.0	53.1
New Export Orders	47.8	45.1	+2.7	Contracting	Slower	3	50.0	30.0	45.5	66.7	50.0	50.0	58.3	44.4
Imports	51.5	54.0	-2.5	Growing	Slower	2	33.3	46.4	57.1	50.0	66.7	40.0	50.0	50.0
Service Charge	64.0	61.6	+2.4	Increasing	Faster	23	44.4	82.1	56.9	60.7	52.6	73.5	44.6	64.3
Inventory Sentiment	49.6	50.0	-0.4	Too Low	From Unchanged	1	44.4	41.4	48.4	48.8	47.4	55.9	48.2	57.1
Future Outlooks	45.7	55.9	-10.2	Contracting	From Growing	1	27.8	39.7	53.1	40.5	60.5	50.0	55.4	44.9

Chart 1: Time Series of Taiwan NMI

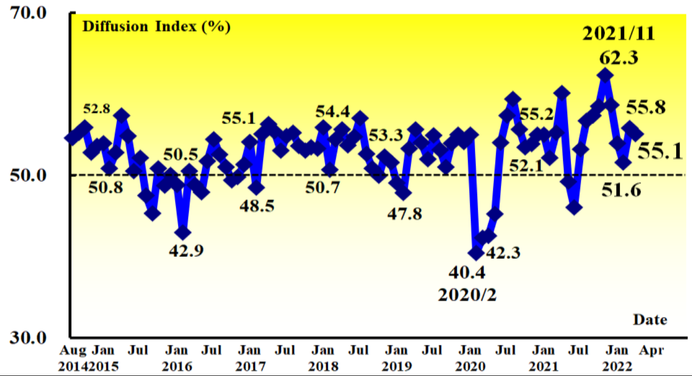
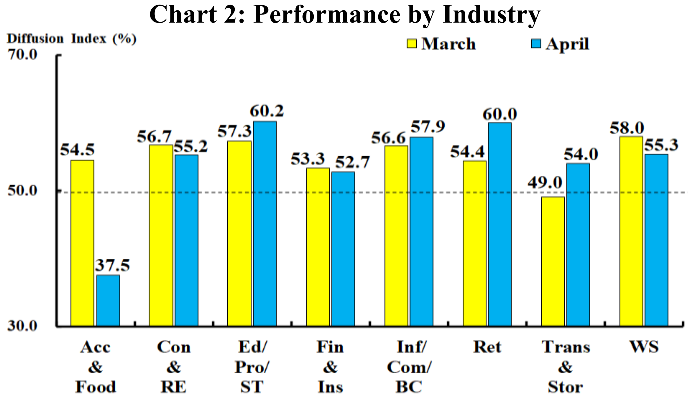


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector expanded for the tenth consecutive month while the seasonally unadjusted Taiwan NMI decreased 0.7 percentage point to 55.1 percent in April.
- The Business Activity Index inched up 0.1 percentage point to 54.9 percent, indicating growth for two consecutive months.
- The New Orders Index grew for the second consecutive month but decreased 3.9 percentage points to 52.8 percent.
- Deliveries from suppliers to the non-manufacturing sector were slow for thirty consecutive months as the Supplier Deliveries Index increased 2.6 percentage points and registered 59.5 percent, the highest reading since December 2021.
- The Inventories Index grew for the second consecutive month as the index increased 0.3 percentage point to 51.3 percent.
- The Prices Index maintained above 60.0 percent for seventeen consecutive months and further increased 2.5 percentage points to 76.1 percent in April, recording the highest level since August 2014.
- Non-manufacturers' backlogs contracted for four consecutive months as the Backlog of Orders Index decreased 2.7 percentage points to 46.9 percent.
- Non-manufacturers' imports grew for the second consecutive month while the Imports Index went down 2.5 percentage points to 51.5 percent.
- Non-manufacturers continued charging higher service prices for twenty-three consecutive months. The Service Charge Index increased 2.4 percentage points to 64.0 percent, marking the highest reading since August 2014.
- Non-manufacturers believed their inventories were insufficient in April as the Inventory Sentiment Index fell 0.4 percentage point to 49.6 percent.
- The Future Outlooks Index turned to contraction following nine consecutive months of growth as the index registered 45.7 percent, a decrease of 10.2 percentage points from the March reading.
- Seven among eight non-manufacturing industries categories reported growing in the following order: Ed/Pro/ST (60.2%), Ret (60.0%), Inf/Com/BC (57.9%), WS (55.3%), Con & RE (55.2%), Trans & Stor (54.0%) and Fin & Ins (52.7%). Only Acc & Food (37.5%) industry turned to contraction 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.

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