

November 2023 Taiwan Manufacturing PMI

PMI at 46.8%

New Orders, Production and Employment Contracting
Supplier Deliveries Faster;
Inventories Contracting

MANUFACTURING AT A GLANCE

November 2023

Index	Series Index Nov	Series Index Oct	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	46.8	47.1	-0.3	Contracting	Faster	9	51.7	44.3	53.0	46.3	51.7	43.7
New Orders	48.6	48.3	+0.3	Contracting	Slower	2	50.0	45.9	65.2	50.0	47.8	41.5
Production	48.2	49.4	-1.2	Contracting	Faster	2	52.8	45.5	54.3	46.5	54.3	43.9
Employment	47.9	48.6	-0.7	Contracting	Faster	16	51.4	46.3	52.2	44.2	45.7	47.6
Supplier Deliveries	46.7	46.2	+0.5	Faster	Slower	17	54.2	44.7	41.3	47.7	56.5	46.3
Inventories	42.7	42.8	-0.1	Contracting	Faster	9	50.0	39.3	52.2	43.0	54.3	39.0
Customers' Inventories	41.6	44.7	-3.1	Too Low	Faster	13	43.1	43.0	50.0	33.7	39.1	42.7
Prices	49.0	53.4	-4.4	Decreasing	From Increasing	1	41.7	48.4	67.4	48.8	50.0	46.3
Backlog of Orders	41.3	41.1	+0.2	Contracting	Slower	18	50.0	38.9	50.0	40.7	43.5	36.6
New Export Orders	42.6	42.4	+0.2	Contracting	Slower	19	45.8	43.9	47.8	40.7	32.6	36.6
Imports	42.3	43.2	-0.9	Contracting	Faster	18	50.0	38.9	52.2	45.3	50.0	32.9
Future Outlooks	42.5	39.8	+2.7	Contracting	Slower	19	41.7	38.1	56.5	44.2	52.2	48.8
Production Materials	38	39	-	-	-	-	36	42	38	39	28	34
MRO Supplies	34	35	-	-	-	-	34	34	39	36	30	31
Capital Expenditures	61	66	-	-	-	-	43	64	79	56	64	58

Chart 1: Time Series of Taiwan Manufacturing PMI

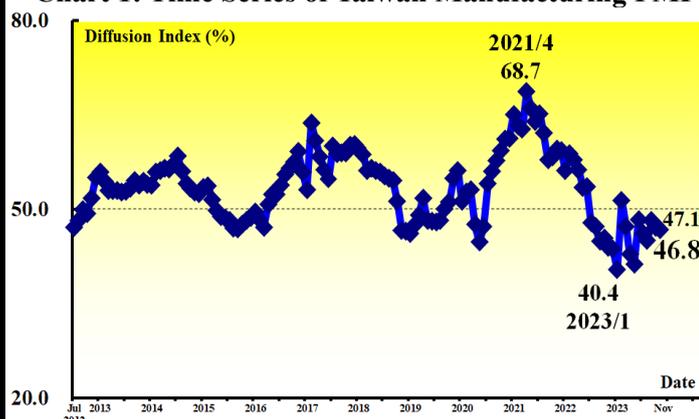
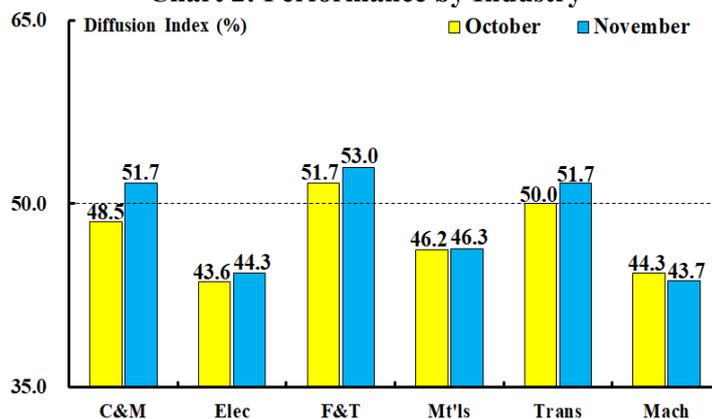


Chart 2: Performance by Industry



Summary

- The Taiwan manufacturing sector still remained in contraction for the ninth consecutive month as the seasonally adjusted Taiwan Manufacturing PMI decreased 0.3 percentage point to 46.8 percent in November.
- The seasonally adjusted New Orders Index slightly increased 0.3 percentage point to 48.6 percent, contracting for the second consecutive month.
- The seasonally adjusted Production Index contracted for two consecutive months and dropped 1.2 percentage points to 48.2 percent in November.
- The seasonally adjusted Employment Index contracted for the sixteenth consecutive month and registered 47.9 percent.
- Manufacturers reported faster delivery performance for seventeen consecutive months as the Supplier Deliveries Index increased 0.5 percentage point to 46.7 percent.
- Manufacturers' inventories contracted for the ninth consecutive month. The Inventories Index went down 0.1 percentage point to 42.7 percent and contracted at the fastest rate since November 2015.
- Manufacturers reported their customers had insufficient inventories on hand for thirteen consecutive months as the Customers' Inventories Index decreased 3.1 percentage points to 41.6 percent in November.
- Manufacturers are currently buying at rather lower prices for the first time in the past four consecutive months as the Prices Index declined 4.4 percentage points to 49.0 percent.
- The Backlog of Orders Index contracted for the eighteenth consecutive month and registered 41.3 percent.
- The New Export Orders Index rose 0.2 percentage point to 42.6 percent, contracting for the nineteenth consecutive month.
- The Imports Indexes fell 0.9 percentage point to 42.3 percent, contracting for the eighteenth consecutive month.
- The Future Outlooks Index remained in contraction for the nineteenth month and increased 2.7 percentage points to 42.5 percent in November.
- Three among six manufacturing industries categories reported contraction in the following order: Electrical & Machinery Equipment (43.7%), Electronic & Optical (44.3%) and Basic Materials (46.3%). While Foods & Textiles (53.0%), Chemical, Biological & Medical (51.7%) and Transportation Equipment (51.7%) reported growth in November.

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 manufacturing purchasing and supply executives in about 300 manufacturing companies. The panel has been carefully selected to accurately replicate the actual structure of the 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). A PMI reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally decline. Responses to Buying Policy reflect the percent reporting the current month's lead time, the approximate weighted number of days ahead for which commitments are made for Production Materials; Capital Expenditures; and Maintenance, Repair and Operating (MRO) Supplies, expressed as hand-to-mouth (five days), 30 days, 60 days, 90 days, six months (180 days), a year or more (360 days), and the weighted average number of days.

We re-categorize the manufacturing subsectors listed in the Standard Industrial Classification System of the Republic of China (Rev.9, 2011) into six broad categories. **The Chemical, Biological & Medical industry (C&M)** which includes Manufacture of Chemical Material, Manufacture of Chemical Products, Manufacture of Pharmaceuticals and Medicinal Chemical Products and Manufacture of Medical Instruments and Supplies. **The Electronic & Optical industry (Elec)** which comprises Manufacture of Electronic Parts and Components and Manufacture of Computers Electronic and Optical Products. **The Foods & Textiles industry (F&T)** which comprises Manufacture of Food Products, Manufacture of Beverages, Manufacture of Tobacco Products, Manufacture of Textiles, Manufacture of Wearing Apparel and Clothing Accessories, Manufacture of Leather, Fur and Related Products. **The Basic Materials industry (Mt'ls)** which includes Manufacture of Wood and of Products of Wood and Bamboo, Manufacture of Pulp, Paper and Paperboard, Printing and Service Activities Related to Printing, Manufacture of Rubber Products, Manufacture of Plastics Products, Manufacture of Other Non-metallic Mineral Products, Manufacture of Basic Metals and Manufacture of Fabricated Metal Products. **The Transportation Equipment industry (Trans)** which comprises Manufacture of Motor Vehicles and Parts and Manufacture of Other Transport Equipment and Parts. The last category is **Electrical & Machinery Equipment industry (Mach)** which includes Manufacture of Electrical Equipment and Manufacture of Machinery and Equipment.

Starting from each release of the Month of April 2018, the index numbers for Manufacturing PMI, New Orders, Production and Employment are seasonally adjusted to remove those seasonal components and calendar effects such as trading day, leap year and other moving holiday effects. Averaging the seasonally adjusted component series (the New Orders, Production, and Employment indexes) and the seasonally unadjusted components (Supplier Delivers and Inventories indexes) will give rise to the indirect seasonally adjusted Manufacturing PMI. As the direct seasonally adjusted PMI is more stable than the indirect seasonally adjusted PMI, CIER assumes the difference between these two indexes to three seasonally adjusted component series using the variance of each irregular component as weights. Therefore, the equality of seasonally adjusted PMI and its component series is maintained. The diffusion indexes other than the PMI component series and the industrial data are raw data and not seasonally adjusted.

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