

## April 2024 Taiwan Manufacturing PMI

PMI at 49.4%

**New Orders Growing; Production Growing; Employment Contracting  
Supplier Deliveries Slowing;  
Inventories Contracting**

### MANUFACTURING AT A GLANCE

April 2024

Index	Series Index Apr	Series Index Mar	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	49.4	47.9	+1.5	Contracting	Slower	14	55.6	54.1	54.2	46.2	47.9	53.3
New Orders	50.1	46.9	+3.2	Growing	From Contracting	1	56.4	60.1	50.0	46.7	47.4	54.2
Production	50.1	47.3	+2.8	Growing	From Contracting	1	62.8	61.0	54.2	50.0	50.0	56.9
Employment	49.3	48.9	+0.4	Contracting	Slower	21	52.6	52.2	54.2	48.9	47.4	54.2
Supplier Deliveries	50.3	49.4	+0.9	Slowing	From Faster	1	51.3	51.8	54.2	44.4	44.7	52.8
Inventories	47.1	46.9	+0.2	Contracting	Slower	14	55.1	45.6	58.3	41.1	50.0	48.6
Customers' Inventories	43.9	42.9	+1.0	Too Low	Slower	18	39.7	45.2	45.8	41.1	44.7	45.8
Prices	64.1	58.3	+5.8	Increasing	Faster	5	70.5	61.4	64.6	64.4	60.5	72.2
Backlog of Orders	50.2	49.4	+0.8	Growing	From Contracting	1	52.6	54.4	54.2	43.3	39.5	40.3
New Export Orders	50.5	55.6	-5.1	Growing	Slower	2	56.4	55.3	52.1	37.8	42.1	45.8
Imports	51.1	53.2	-2.1	Growing	Slower	2	57.7	50.9	60.4	47.8	36.8	51.4
Future Outlooks	55.2	56.4	-1.2	Growing	Slower	3	61.5	58.8	60.4	43.3	42.1	55.6
Production Materials	39	38	-	-	-	-	36	42	50	42	24	31
MRO Supplies	35	34	-	-	-	-	34	39	38	36	26	27
Capital Expenditures	62	55	-	-	-	-	58	65	81	47	77	57

Chart 1: Time Series of Taiwan Manufacturing PMI

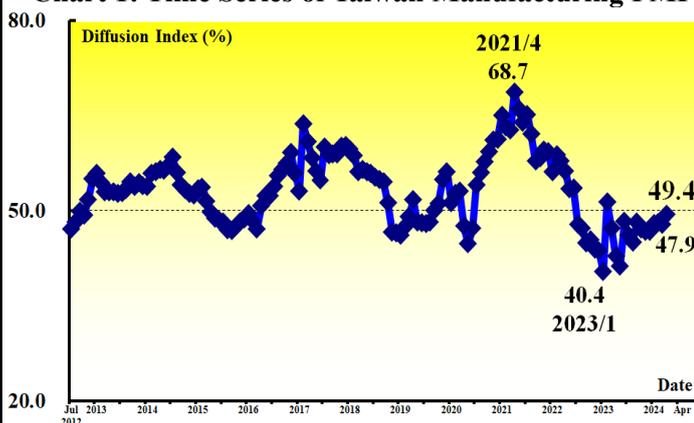
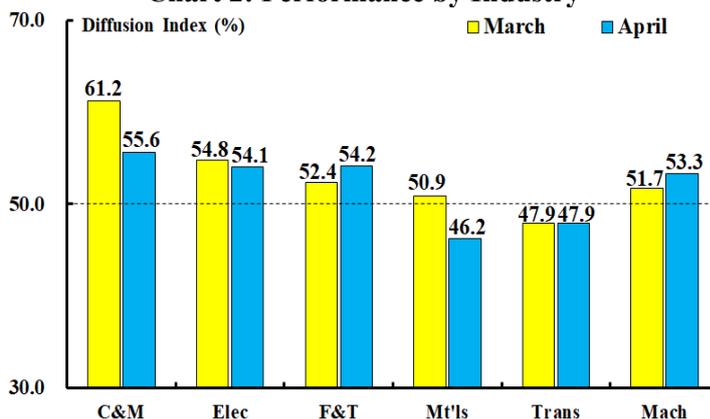


Chart 2: Performance by Industry



### Summary

- The Taiwan manufacturing sector remained in contraction for the fourteenth consecutive month as the seasonally adjusted Taiwan Manufacturing PMI increased 1.5 percentage points to 49.4 percent in April, recording the slowest contraction rate since March 2023.
- The seasonally adjusted New Orders Index reversed its recent trend of contraction and turned to growth for the first time in the past seven months as the index rose 3.2 percentage points to 50.1 percent.
- Manufacturers' production turned to growth following only one month of contraction as the seasonally adjusted Production Index increased 2.8 percentage points to 50.1 percent.
- The seasonally adjusted Employment Index contracted for the twenty-first consecutive month while the index went up 0.4 percentage point to 49.3 percent and contracted at the slowest rate since August 2022.
- The Supplier Deliveries Index went up 0.9 percentage point and registered 50.3 percent in April, indicating the delivery performance of suppliers to manufacturing sectors was slowing for the first time for the past twenty-two months.
- Manufacturing Inventories contracted for fourteen consecutive months as the Inventories Index increased 0.2 percentage point to 47.1 percent and contracted at the slowest rate since April 2023.
- Manufacturers reported their customers had insufficient inventories on hand for eighteen consecutive months as the Customers' Inventories Index increased 1.0 percentage point to 43.9 percent.
- Manufacturers experienced higher purchasing prices for the fifth consecutive month as the Prices Index increased 5.8 percentage points to 64.1 percent, recording the highest reading since June 2022.
- The Backlog of Orders Index increased 0.8 percentage point to 50.2 percent and indicated growth in the manufacturers' backlogs for the first time since June 2022.
- The Future Outlooks Index grew for the third month but decelerated, decreasing 1.2 percentage points to 55.2 percent.
- Basic Materials (46.2%) and Transportation Equipment (47.9%) reported contraction in April. Four among six manufacturing industries categories reported growth in the following order: Chemical, Biological & Medical (55.6%), Foods & Textiles (54.2%), Electronic & Optical (54.1%) and Electrical & Machinery Equipment (53.3%).

## 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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