

# December 2012 Taiwan Manufacturing PMI

PMI at 51.3%

**New Orders, Production and Employment Growing**  
**Supplier Deliveries Contracting**  
**Inventories Contracting**

## MANUFACTURING AT A GLANCE<sup>1</sup>

DECEMBER 2012

Index	Series Index Dec	Series Index Nov	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'l's	Trans	Mach
Taiwan Manufacturing PMI	51.3	49.6	+1.7	Growing	From Contracting	1	54.3	48.1	50.0	55.8	54.4	52.7
New Orders	52.6	52.4	+0.2	Growing	Faster	2	55.0	45.8	47.2	61.8	63.9	60.8
Production	54.8	51.1	+3.7	Growing	Faster	2	56.7	50.0	47.2	64.5	58.3	59.5
Employment	53.3	49.9	+3.4	Growing	From Contracting	1	60.0	48.2	55.6	60.5	52.8	51.4
Supplier Deliveries	48.2	47.9	+0.3	Faster	Slower	6	50.0	47.6	52.8	47.4	41.7	50.0
Inventories	47.8	46.5	+1.3	Contracting	Slower	4	50.0	48.8	47.2	44.7	55.6	41.9
Customers' Inventories	47.6	47.7	-0.1	Too Low	Faster	4	46.7	48.8	55.6	40.8	55.6	45.9
Prices	52.8	46.3	+6.5	Increasing	From Decreasing	1	55.0	44.6	47.2	72.4	52.8	52.7
Backlog of Orders	46.6	47.0	-0.4	Contracting	Faster	6	46.7	39.3	36.1	63.2	58.3	50.0
Exports	47.9	46.8	+1.1	Contracting	Slower	6	48.3	43.5	50.0	52.6	61.1	50.0
Imports	50.4	43.9	+6.5	Growing	From Contracting	1	41.7	44.6	63.9	61.8	50.0	55.4
Six-month Outlook	50.4	40.3	+10.1	Growing	From Contracting	1	53.3	45.8	41.7	63.2	52.8	47.3
Production Materials	31	30	-	-	-	-	30	28	34	36	29	31
MRO Supplies	20	22	-	-	-	-	24	17	16	25	23	21
Capital Expenditures	45	45	-	-	-	-	60	34	64	56	72	24

Chart 1 : Time Series of Taiwan Manufacturing PMI

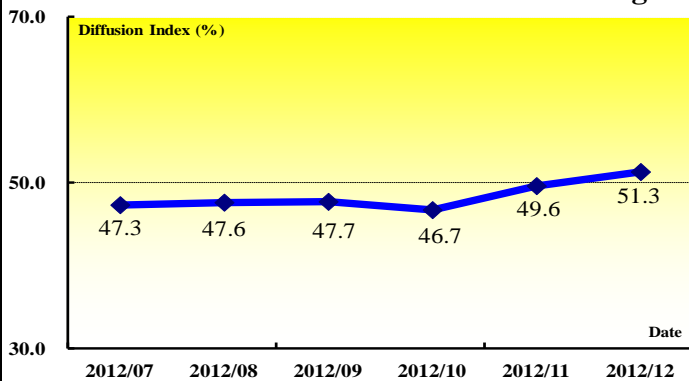
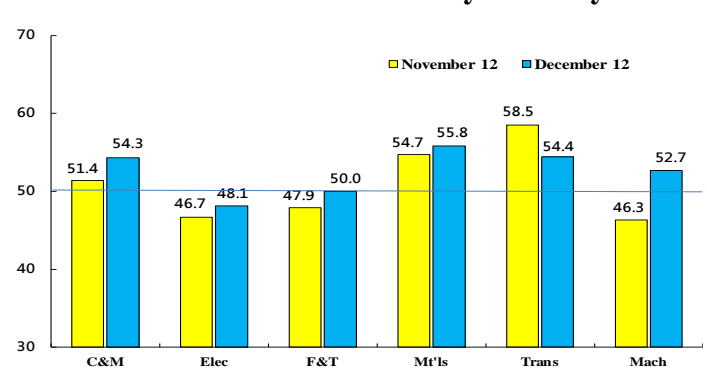


Chart 2 : Performance by Industry



### Summary

- Taiwan Manufacturing PMI registered 51.3 percent, an increase of 1.7 percentage points from November's reading of 49.6 percent, indicating expansion in manufacturing for the first time since July 2012.
- Both the New Orders and Production Indexes continued their growth trend for the second consecutive month, registered 52.6 and 54.8 percent respectively in December. This represents an increase of 0.2 and 3.7 percentage points respectively from November and also the highest level in the last six months.
- The Employment Index registered 53.3 percent, an increase of 3.4 percentage points, indicating a resumption of growth in employment following only one month of contraction.
- The Prices Index increased 6.5 percentage points from its November's reading of 46.3 percent to 52.8 percent.
- The Imports Index registered 50.4 percent, indicating growing for the first time since July of 2012.
- The Six-month outlook index registered 10.1 percentage points above the November's reading of 40.3 percent, and is the first reading above 50 percent for the past 6 months.
- Of the 6 manufacturing industries categories, three are reporting growth in December in the following order: Basic Raw Materials (55.8%); Transportation Equipment (54.4%); Chemical, Biological & Medical (54.3%); Electrical & Machinery Equipment (52.7%). The Electrical & Machinery Equipment industry indicated growing for the first time since July 2012.
- Of the 6 manufacturing industries categories, only Electronic & Optical industry reported contraction, although at a slower rate than in November. The PMI of Electronic & Optical industry rose by 1.4 percentage points to 48.1%.

## About this Report

This report is jointly issued by the Council for Economic Planning and Development (CEPD) – 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 250 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.

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