

March 2013 Taiwan Manufacturing PMI

PMI at 62.4%

New Orders, Production and Employment Growing
Inventories Growing
Supplier Deliveries Slowing

MANUFACTURING AT A GLANCE

March 2013

Index	Series Index Mar	Series Index Feb	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries						
							C&M	Elec	F&T	Mt'ls	Trans	Mach	
Taiwan Manufacturing PMI	62.4	50.0	+12.4	Growing	From Unchanged	1	64.5	65.6	56.3	56.1	65.9	60.5	
New Orders	69.6	54.5	+15.1	Growing	Faster	5	72.4	75.6	60.5	56.6	82.4	64.9	
Production	73.7	44.8	+28.9	Growing	From Contracting	1	75.9	78.5	57.9	67.1	79.4	71.6	
Employment	57.2	51.6	+5.6	Growing	Faster	4	58.6	57.0	52.6	53.9	64.7	63.5	
Supplier Deliveries	53.9	50.0	+3.9	Slowing	From Unchanged	1	55.2	57.6	42.1	50.0	47.1	56.8	
Inventories	57.5	49.2	+8.3	Growing	From Contracting	1	60.3	59.3	68.4	52.6	55.9	45.9	
Customers' Inventories	47.5	45.5	+2.0	Too Low	Slower	7	48.3	46.5	50.0	53.9	47.1	35.1	
Prices	56.1	62.9	-6.8	Increasing	Slower	4	56.9	52.9	60.5	57.9	61.8	59.5	
Backlog of Orders	56.3	50.3	+6.0	Growing	Faster	3	58.6	59.9	47.4	52.6	50.0	54.1	
Exports	65.2	52.8	+12.4	Growing	Faster	3	65.5	73.3	55.3	52.6	61.8	62.2	
Imports	62.5	49.6	+12.9	Growing	From Contracting	1	62.1	65.7	68.4	51.3	64.7	64.9	
Six-month Outlook	65.3	67.7	-2.4	Growing	Slower	4	72.4	69.8	65.8	51.3	70.6	59.5	
Production Materials		35	32	-	-	-		35	32	43	38	27	37
MRO Supplies		24	22	-	-	-		28	19	23	34	22	24
Capital Expenditures		45	40	-	-	-		34	40	49	64	73	33

Chart 1 : Time Series of Taiwan Manufacturing PMI

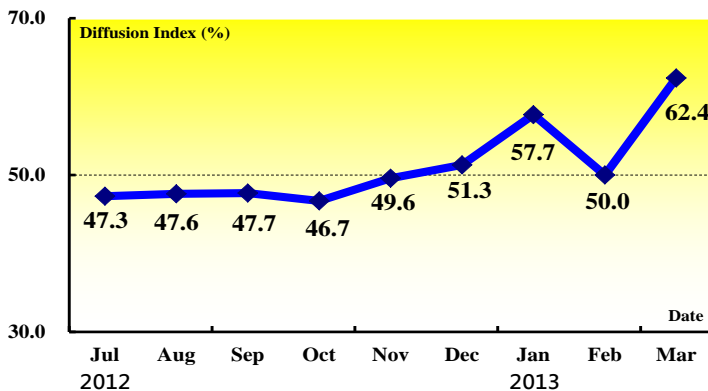
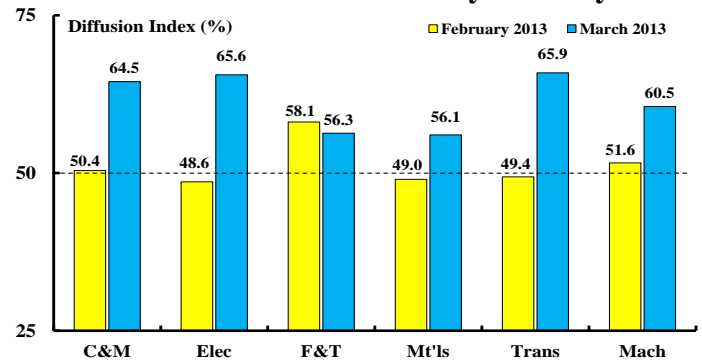


Chart 2 : Performance by Industry



Summary

- Taiwan Manufacturing PMI registered 62.4 percent in March, which is 12.4 percentage points higher than the 50.0 percent in February. The rising of PMI was driven by favorable outcomes in New Orders and Production Indexes.
- The New Orders Index continued its growth trend for the 5th consecutive month, registered 69.6 percent in March. This represents an increase of 15.1 percentage points from February and also the highest level in the past nine months.
- The Production Index increased 28.9 percent to 73.7% in March due to rather less working days in the previous month, when the Chinese New Year holidays of nine days slowed the nation's manufacturing activities.
- Manufacturing employment continues to show good momentum for the year, as the Employment Index registered 57.2 percent, which is 5.6 percentage points higher than the 51.6 percent reported in February.
- The Inventories Index registered 57.5 percent, an increase of 8.3 percentage points, indicating a resumption of growth in inventories following only one month of contraction.
- The Exports Index is promising, as it is up 12.4 percentage points for the month to 65.2 percent. This is the third consecutive month of growing in the Exports Index.
- The Six-month Outlook index, however, registered 2.4 percent points below the February reading of 67.7%.
- All the manufacturing industries' categories reporting growth in March in the following order: Transportation Equipment (65.9%); Electronics & Optical (65.6%); Chemical, Biological & Medical (64.5%); Electrical & Machinery Equipment (60.5%); Foods & Textiles (56.3%); and Basic Materials (56.1%). The PMI of Electronics & Optical industry increased 17.0 percentage points from the 48.6 percent reported in February, with the fastest growth rate among 6 manufacturing industries categories.

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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