

April 2015 Taiwan Manufacturing PMI

PMI at 54.7%

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

MANUFACTURING AT A GLANCE

April 2015

Index	Series Index Apr	Series Index Mar	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'l's	Trans	Mach
Taiwan Manufacturing PMI	54.7	59.1	-4.4	Growing	Slower	2	57.8	55.2	58.7	46.7	60.0	60.0
New Orders	56.0	66.1	-10.1	Growing	Slower	2	60.0	58.6	60.9	40.8	55.3	67.3
Production	58.8	68.3	-9.5	Growing	Slower	2	62.5	59.5	63.0	48.0	65.8	67.3
Employment	54.2	53.7	+0.5	Growing	Faster	2	53.8	53.8	54.3	50.0	63.2	61.2
Supplier Deliveries	49.1	52.4	-3.3	Faster	From Slowing	1	58.8	49.5	52.2	41.8	52.6	49.0
Inventories	55.5	54.8	+0.7	Growing	Faster	4	53.8	54.8	63.0	53.1	63.2	55.1
Customers' Inventories	47.6	45.5	+2.1	Too Low	Slower	6	46.3	48.1	50.0	44.9	55.3	45.9
Prices	41.9	40.5	+1.4	Decreasing	Slower	8	68.8	42.4	43.5	27.6	44.7	42.9
Backlog of Orders	50.5	52.7	-2.2	Growing	Slower	2	51.3	53.8	41.3	37.8	57.9	63.3
Exports	53.2	60.4	-7.2	Growing	Slower	2	55.0	57.6	52.2	37.8	44.7	67.3
Imports	54.5	56.2	-1.7	Growing	Slower	2	60.0	55.7	56.5	44.9	57.9	60.2
Six-month Outlook	57.4	61.0	-3.6	Growing	Slower	4	60.0	63.8	50.0	39.8	63.2	62.2
Production Materials	33	33	-	-	-	-	33	32	35	35	26	34
MRO Supplies	26	27	-	-	-	-	32	23	33	32	25	21
Capital Expenditures	52	49	-	-	-	-	67	51	71	49	79	25

Chart 1: Time Series of Taiwan Manufacturing PMI

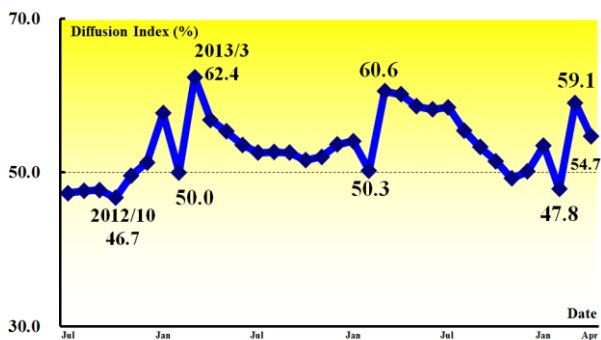
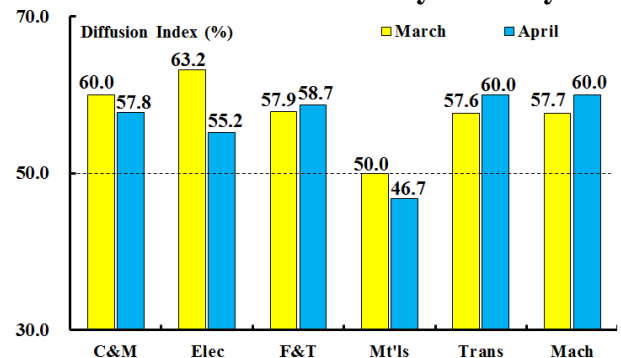


Chart 2: Performance by Industry



Summary

- Taiwan Manufacturing PMI registered 54.7 percent in April, a decrease of 4.4 percentage points and indicating expansion in the manufacturing sector for the second consecutive month.
- New Orders and production continue to grow in April, while these two key diffusion indexes registered 10.1 and 9.5 percentage points lower than the 66.1 and 68.3 percent reported in March respectively.
- The Employment Index accelerated and registered 0.5 percentage point higher than the 53.7 percent in March.
- The Supplier Deliveries Index fell 3.3 percentage points to 49.1 percent, indicating the delivery performance of suppliers in the manufacturing sector was faster after three consecutive months of slower deliveries.
- The Inventories Index went up 0.7 percentage point to 55.5 percent and registered its highest reading in the past thirteen months.
- Manufacturers continue experiencing lower prices for their inputs while the Prices Index registered 41.9 percent in April, an increase of 1.4 percentage points from March and also the highest level recorded in this particular index since October 2014.
- Order backlogs remained in growth territory while the Backlog of Orders Index registered 50.5 percent in April, down from the 52.7 percent in March.
- Manufacturing exports decelerated as the Exports Index dropped 7.2 percentage points to 53.2 percent in April.
- The Imports Index registered 54.5 percent, indicating growing for the second consecutive month.
- Manufacturers were slightly less optimistic about the future than in March. The Six-month Outlook Index registered 3.6 percent points below the March reading of 61.0%, but, it is still promising.
- Of the 6 manufacturing industries categories, five are reporting growth in April in the following order: Transportation Equipment (60.0%); Electrical & Machinery Equipment (60.0%); Foods & Textiles (58.7%); Chemical, Biological & Medical (57.8%) and Electronic & Optical (55.2%). Only Basic Materials industries (46.7%) failed to grow 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 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.

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