

April 2016 Taiwan Manufacturing PMI

PMI at 54.6%

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

MANUFACTURING AT A GLANCE

April 2016

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	54.6	54.9	-0.3	Growing	Slower	2	61.5	51.6	52.5	57.1	52.4	61.2
New Orders	57.4	61.3	-3.9	Growing	Slower	2	65.0	54.7	52.1	61.5	50.0	64.6
Production	59.3	63.8	-4.5	Growing	Slower	2	67.5	55.1	54.2	66.7	52.9	65.9
Employment	50.0	51.3	-1.3	Unchanged	From Growing	1	56.3	47.4	54.2	50.0	44.1	57.3
Supplier Deliveries	52.3	49.7	+2.6	Slowing	From Faster	1	56.3	51.3	52.1	52.1	50.0	56.1
Inventories	53.8	48.4	+5.4	Growing	From Contracting	1	62.5	49.6	50.0	55.2	64.7	62.2
Customers' Inventories	46.0	43.8	+2.2	Too Low	Slower	18	42.5	45.3	37.5	51.0	47.1	48.8
Prices	59.9	57.0	+2.9	Increasing	Faster	2	70.0	50.4	50.0	78.1	67.6	65.9
Backlog of Orders	54.4	54.3	+0.1	Growing	Faster	2	53.8	51.7	52.1	62.5	50.0	56.1
Exports	56.4	56.6	-0.2	Growing	Slower	2	63.8	54.3	58.3	58.3	47.1	59.8
Imports	51.7	55.0	-3.3	Growing	Slower	2	63.8	49.1	56.3	50.0	50.0	54.9
Six-month Outlook	56.7	51.8	+4.9	Growing	Faster	2	63.8	55.1	45.8	62.5	52.9	57.3
Production Materials	34	31	-	-	-	-	41	27	56	37	33	34
MRO Supplies	27	25	-	-	-	-	40	20	43	30	24	23
Capital Expenditures	54	49	-	-	-	-	74	44	77	58	76	39

Chart 1: Time Series of Taiwan Manufacturing PMI

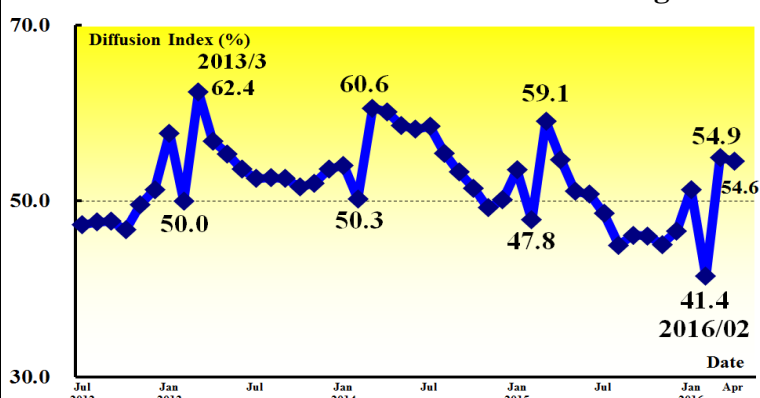
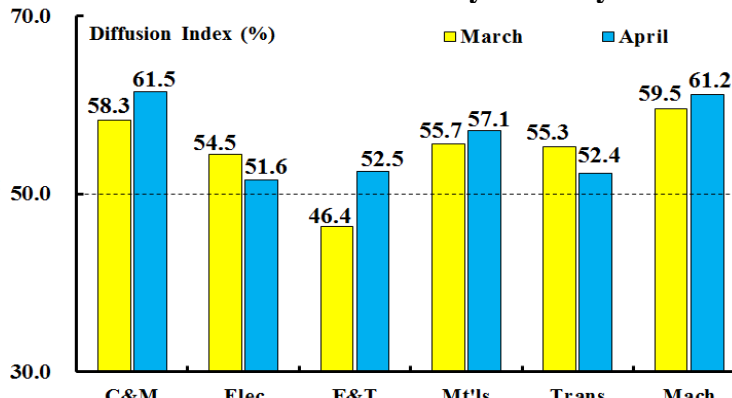


Chart 2: Performance by Industry



Summary

- The Taiwan Manufacturing PMI registered 54.6 percent in April, indicating expansion in the manufacturing sector for the second consecutive month.
- The March Indexes of New Orders and Production figured above the 60.0 percent were mainly caused by low marks in February, while both indexes showed continued growth in April and registered 57.4 and 59.3 percent, respectively.
- The Employment Index decreased 1.3 percentage points to 50.0 percent in April.
- The Supplier Deliveries Index registered 52.3 percent in April, indicating the delivery performance of suppliers to manufacturing sectors was slower following only one month of faster deliveries.
- The Inventories Index increased 5.4 percentage points to 53.8 percent in April, and is the first reading above 50.0 percent in the past eleven months, as well as the highest reading reported since April 2014.
- The Prices Index registered 59.9 percent, an increase of 2.9 percentage points from March and also the highest level recorded by this index since March 2013.
- The Backlog of Orders Index registered 54.4 percent in April, indicating a growth trend for two consecutive months and also the highest level recorded since June 2014.
- Exports and Imports by manufacturers remained growing trend for the second consecutive month as the Exports and Imports Index registered 56.4 percent and 51.7 percent in April respectively.
- The Six-month Outlook Index registered 56.7 percent in April and recorded its highest reading since May 2015.
- All the manufacturing industries categories reporting growth in April in the following order: Chemical, Biological & Medical (61.5%); Electrical & Machinery Equipment (61.2%); Basic Materials (57.1%); Foods & Textiles (52.5%); Transportation Equipment (52.4%) and Electronics & Optical (51.6%).

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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