

## December 2024 Taiwan Manufacturing PMI

PMI at 50.8%

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

### MANUFACTURING AT A GLANCE

December 2024

Index	Series Index Dec	Series Index Nov	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	50.8	51.4	-0.6	Growing	Slower	2	48.7	51.6	52.5	49.3	54.4	50.3
New Orders	50.9	55.5	-4.6	Growing	Slower	3	43.4	54.6	55.0	48.9	52.8	52.5
Production	52.1	54.5	-2.4	Growing	Slower	3	42.1	55.0	52.5	50.0	63.9	52.5
Employment	51.1	50.3	+0.8	Growing	Faster	8	52.6	50.0	45.0	51.1	47.2	48.8
Supplier Deliveries	52.5	48.3	+4.2	Slowing	From Faster	1	56.6	53.2	55.0	47.8	58.3	48.8
Inventories	47.4	48.6	-1.2	Contracting	Faster	22	48.7	45.0	55.0	48.9	50.0	48.8
Customers' Inventories	44.5	44.5	+0.0	Too Low	Same	26	39.5	44.5	60.0	44.4	33.3	43.8
Prices	50.4	52.2	-1.8	Increasing	Slower	3	53.9	49.1	62.5	43.3	63.9	52.5
Backlog of Orders	49.2	49.3	-0.1	Contracting	Faster	7	35.5	51.8	50.0	51.1	47.2	47.5
New Export Orders	50.0	48.9	+1.1	Unchanged	From Contracting	1	43.4	52.3	47.5	48.9	55.6	46.3
Imports	51.8	48.4	+3.4	Growing	From Contracting	1	50.0	54.6	55.0	46.7	47.2	48.8
Future Outlooks	46.1	47.9	-1.8	Contracting	Faster	4	46.1	48.2	42.5	44.4	44.4	41.3
Production Materials	40	39	-	-	-	-	35	43	48	48	20	30
MRO Supplies	35	38	-	-	-	-	33	32	47	51	22	27
Capital Expenditures	60	63	-	-	-	-	37	75	89	61	45	36

Chart 1: Time Series of Taiwan Manufacturing PMI

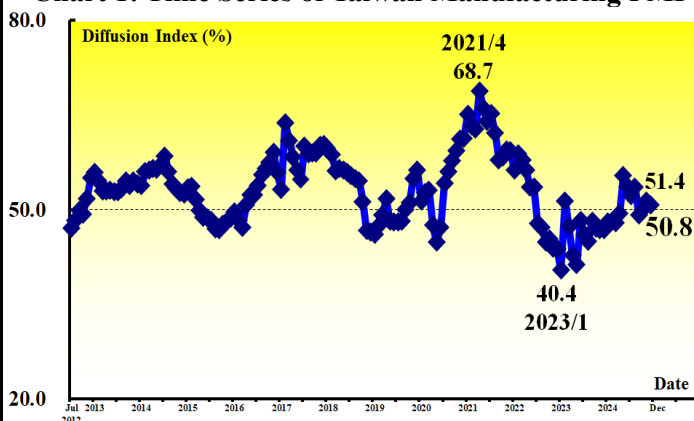
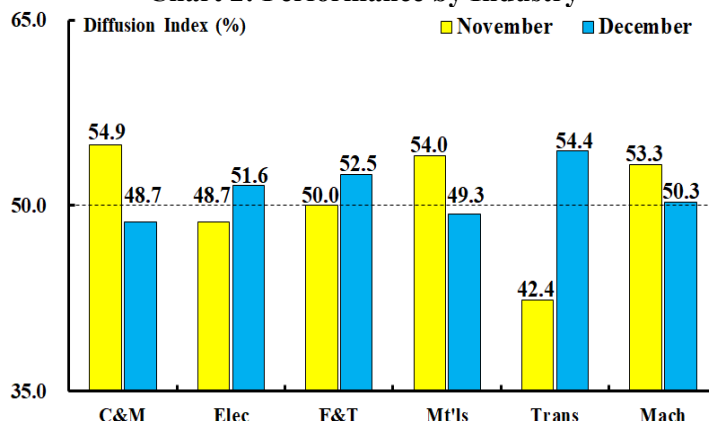


Chart 2: Performance by Industry



#### Summary

- Manufacturing growth decelerated in December as the seasonally adjusted Taiwan Manufacturing PMI inched down 0.6 percentage point to 50.8 percent.
- As the traditional New Year stocking season approaches, both New Orders and Production Indexes grew for three consecutive months but fell 4.6 and 2.4 percentage points to 50.9 and 52.1 percent in December, respectively.
- The seasonally adjusted Employment Index rose 0.8 percentage point to 51.1 percent, up from the slowest growth rate of 50.3 percent since June 2024.
- Manufacturers reported the slower delivery performance for the first time in the past five months as the Supplier Deliveries Index increased 4.2 percentage points to 52.5 percent, registering the highest reading since July 2024.
- The Inventories Index contracted for twenty-two consecutive months and dropped 1.2 percentage points to 47.4 percent.
- Manufacturers reported their customers had insufficient inventories on hand for twenty-six consecutive months, as the Customers' Inventories Index registered 44.5 percent.
- Manufacturers are experiencing higher prices of their purchases for three consecutive months while the Prices Index further decreased 1.8 percentage points to 50.4 percent in December.
- The Backlog of Orders Index contracted for seven consecutive months and fell 0.1 percentage point to 49.2 percent.
- Manufacturers reported new export orders unchanged from the previous month as the New Export Orders Index increased 1.1 percentage points to 50.0 percent.
- The Imports Index turned to growth following three months of contraction and went up 3.4 percentage points to 51.8 percent.
- The Future Outlooks Index contracted at the fastest rate since January 2024 and further decreased 1.8 percentage points to 46.1 percent.
- Four among six manufacturing industries categories reported growth in the following order: Transportation Equipment (54.4%), Foods & Textiles (52.5%), Electronic & Optical (51.6%) and Electrical & Machinery Equipment (50.3%). While Chemical, Biological & Medical (48.7%) and Basic Materials (49.3%) turned to contraction in December.

## 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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