

# October 2024 Taiwan Manufacturing PMI

## PMI at 50.0%

**New Orders Growing; Production Growing; Employment Growing  
Supplier Deliveries Faster;  
Inventories Contracting**

### MANUFACTURING AT A GLANCE

October 2024

Index	Series Index Oct	Series Index Sep	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	50.0	49.2	+0.8	Unchanged	From Contracting	1	47.3	48.2	50.4	47.3	45.6	53.6
New Orders	51.9	48.5	+3.4	Growing	From Contracting	1	40.9	47.8	50.0	48.9	50.0	52.4
Production	50.5	46.8	+3.7	Growing	From Contracting	1	39.8	49.6	50.0	40.9	47.2	54.8
Employment	51.7	51.0	+0.7	Growing	Faster	6	52.3	51.3	52.2	48.9	50.0	51.2
Supplier Deliveries	48.8	49.8	-1.0	Faster	Faster	3	54.5	45.7	54.3	47.7	44.4	59.5
Inventories	47.2	49.9	-2.7	Contracting	Faster	20	48.9	46.6	45.7	50.0	36.1	50.0
Customers' Inventories	46.1	46.7	-0.6	Too Low	Faster	24	48.9	44.4	52.2	48.9	41.7	44.0
Prices	54.0	48.0	+6.0	Increasing	From Decreasing	1	44.3	54.3	58.7	54.5	55.6	58.3
Backlog of Orders	44.3	43.5	+0.8	Contracting	Slower	5	48.9	40.1	47.8	47.7	41.7	53.6
New Export Orders	46.8	44.6	+2.2	Contracting	Slower	2	46.6	47.4	56.5	40.9	44.4	50.0
Imports	48.0	47.5	+0.5	Contracting	Slower	2	52.3	46.1	56.5	46.6	44.4	51.2
Future Outlooks	48.3	47.5	+0.8	Contracting	Slower	2	47.7	47.0	54.3	52.3	44.4	45.2
Production Materials	39	38	-	-	-	-	40	43	46	40	18	29
MRO Supplies	37	34	-	-	-	-	39	36	44	37	22	37
Capital Expenditures	66	58	-	-	-	-	56	67	92	61	71	61

Chart 1: Time Series of Taiwan Manufacturing PMI

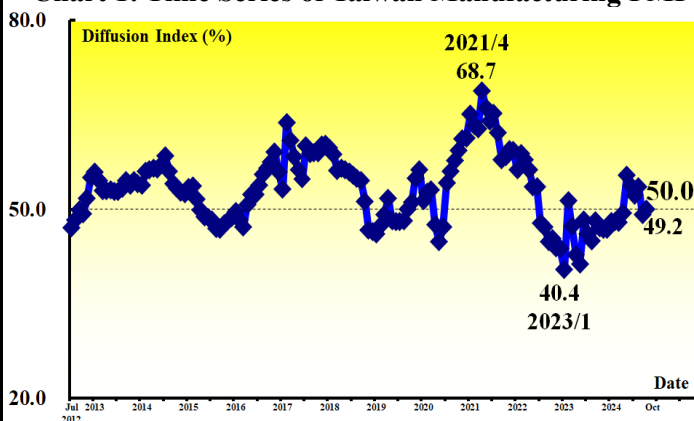
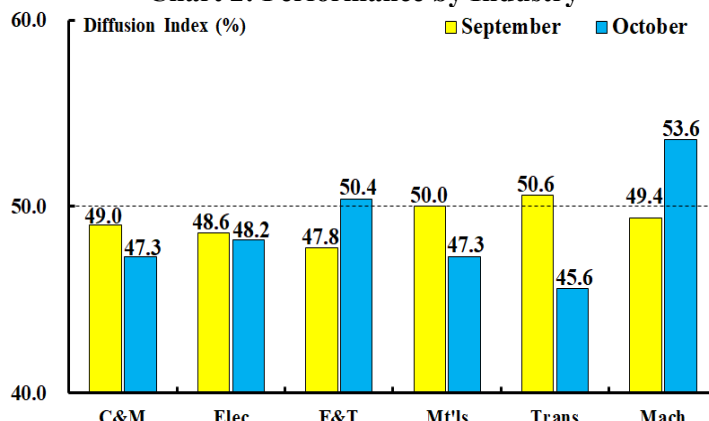


Chart 2: Performance by Industry



### Summary

- The seasonally adjusted Taiwan Manufacturing PMI slightly increased 0.8 percentage point to 50.0 percent in October, indicating that respondents are reporting conditions in the manufacturing economy are unchanged from September.
- Both the seasonally adjusted New Orders and Production Indexes reversed their recent trends of growth and contracted for the first time in the past six months in September, while the indexes increased 3.4 and 3.7 percentage points to 51.9 and 50.5 percent in October, respectively.
- Manufacturers' employment grew for six consecutive months as the seasonally adjusted Employment Index inched up 0.7 percentage point to 51.7 percent.
- Manufacturers reported faster delivery performance for three consecutive months as the Supplier Deliveries Index decreased 1.0 percentage point to 48.8 percent, the lowest level since March 2024.
- The Inventories Index contracted for twenty consecutive months as the index fell 2.7 percentage points to 47.2 percent.
- Manufacturers reported their customers had insufficient inventories on hand for twenty-four consecutive months, as the Customers' Inventories Index registered 46.1 percent in October, down from the highest reading of 46.7 percent since April 2023.
- The Prices Index increased 6.0 percentage points to 54.0 percent in October, indicating manufacturers are experiencing higher prices of their purchases following only one month of lower prices.
- The Backlog of Orders Index contracted for five consecutive months and slightly rose 0.8 percentage point to 44.3 percent.
- Both New Export Orders and Imports Indexes contracted for two consecutive months but decelerated, as the indexes increased 2.2 and 0.5 percentage points to 46.8 and 48.0 percent, respectively.
- The Future Outlooks Index slightly rose 0.8 percentage point to 48.3 percent, contracting for two consecutive months.
- Four among six manufacturing industries categories reported contraction in the following order: Transportation Equipment (45.6%), Chemical, Biological & Medical (47.3%), Basic Materials (47.3%) and Electronic & Optical (48.2%). Electrical & Machinery Equipment (53.6%) and Foods & Textiles (50.4%) reported growth in October.

## 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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