

## September 2024 Taiwan Manufacturing PMI

PMI at 49.2%

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

### MANUFACTURING AT A GLANCE

September 2024

Index	Series Index Sep	Series Index Aug	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	49.2	53.6	-4.4	Contracting	From Growing	1	49.0	48.6	47.8	50.0	50.6	49.4
New Orders	48.5	56.7	-8.2	Contracting	From Growing	1	45.2	47.9	43.5	51.1	50.0	50.0
Production	46.8	57.4	-10.6	Contracting	From Growing	1	42.9	47.0	41.3	51.1	50.0	51.4
Employment	51.0	54.4	-3.4	Growing	Slower	5	47.6	50.4	56.5	46.7	50.0	51.4
Supplier Deliveries	49.8	49.5	+0.3	Faster	Slower	2	54.8	48.7	47.8	48.9	52.9	51.4
Inventories	49.9	49.9	+0.0	Contracting	Same	19	54.8	49.1	50.0	52.2	50.0	43.1
Customers' Inventories	46.7	44.3	+2.4	Too Low	Slower	23	51.2	46.6	47.8	47.8	38.2	43.1
Prices	48.0	53.8	-5.8	Decreasing	From Increasing	1	46.4	50.4	63.0	32.6	58.8	51.4
Backlog of Orders	43.5	49.4	-5.9	Contracting	Faster	4	42.9	44.4	41.3	38.0	50.0	50.0
New Export Orders	44.6	52.8	-8.2	Contracting	From Growing	1	38.1	46.6	52.2	39.1	52.9	43.1
Imports	47.5	50.0	-2.5	Contracting	From Unchanged	1	52.4	45.7	47.8	48.9	52.9	45.8
Future Outlooks	47.5	52.8	-5.3	Contracting	From Growing	1	45.2	45.7	60.9	45.7	52.9	51.4
Production Materials	38	38	-	-	-	-	40	40	41	42	27	28
MRO Supplies	34	35	-	-	-	-	35	33	37	41	26	26
Capital Expenditures	58	63	-	-	-	-	50	64	71	54	70	37

Chart 1: Time Series of Taiwan Manufacturing PMI

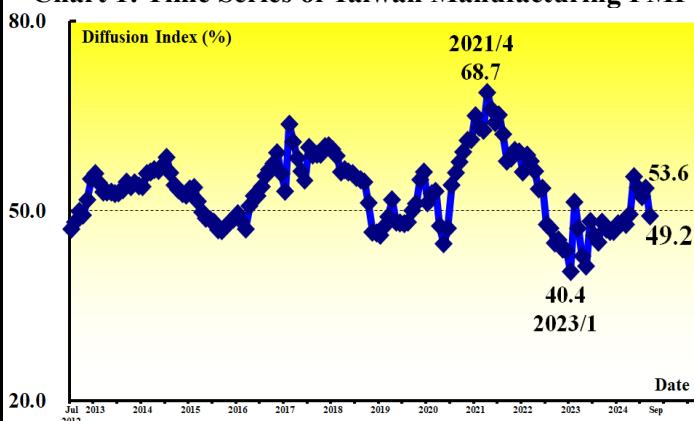
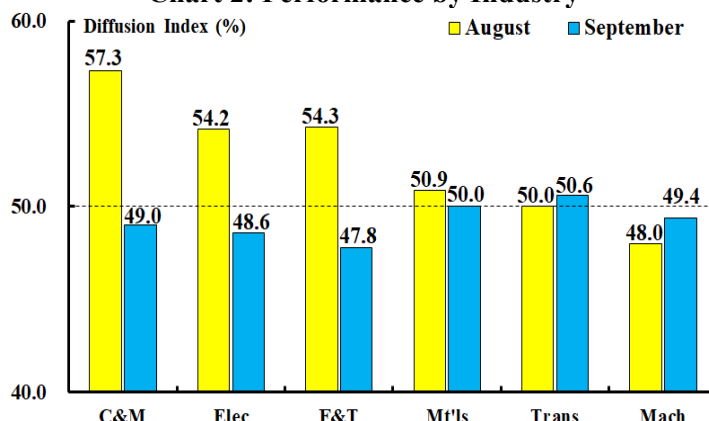


Chart 2: Performance by Industry



### Summary

- The Taiwan manufacturing sector turned to contraction following four consecutive months of growth as the seasonally adjusted Taiwan Manufacturing PMI decreased 4.4 percentage points to 49.2 percent in 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, decreasing 8.2 and 10.6 percentage points to 48.5 and 46.8 percent, respectively.
- Manufacturers' employment grew for five consecutive months as the seasonally adjusted Employment Index decreased 3.4 percentage points to 51.0 percent from the fastest growth rate (54.4 percent) since July 2022.
- Manufacturers reported faster delivery performance for two consecutive months as the Supplier Deliveries Index slightly increased 0.3 percentage point to 49.8 percent.
- The Inventories Index contracted for nineteen consecutive months and registered 49.9 percent in September.
- Manufacturers reported their customers had insufficient inventories on hand for twenty-three consecutive months as the Customers' Inventories Index rose 2.4 percentage points to 46.7 percent, registering the highest reading since April 2023.
- Manufacturers are currently buying at rather lower prices for the first time in the past ten consecutive months as the Prices Index decreased 5.8 percentage points to 48.0 percent, the lowest level since August 2023.
- The Backlog of Orders Index contracted for four consecutive months and went down 5.9 percentage points to 43.5 percent, the fastest contraction rate since March 2024.
- The New Export Orders Index turned to contraction following six consecutive months of growth and decreased 8.2 percentage points to 44.6 percent.
- The Future Outlooks Index reversed its recent trend of growth and contracted for the first time since February 2024, as the index fell 5.3 percentage points to 47.5 percent.
- Four among six manufacturing industries categories reported contraction in the following order: Foods & Textiles (47.8%), Electronic & Optical (48.6%), Chemical, Biological & Medical (49.0%) and Electrical & Machinery Equipment (49.4%). Only Transportation Equipment (50.6%) reported growth in September. Basic Materials (50.0%) reported unchanged from August.

## 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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