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中華經濟研究院
CHUNG-HUA INSTITUTION FOR ECONOMIC RESEARCH

May 2017 Taiwan Manufacturing PMI

PMI at 58.7%

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

MANUFACTURING AT A GLANCE
May 2017

Unit : %

Index	Series Index May	Series Index Apr	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries: C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	58.7	61.0	-2.3	Growing	Slower	15	54.9	63.2	55.4	51.1	54.6	59.5
New Orders	57.3	62.2	-4.9	Growing	Slower	15	51.0	64.5	55.8	42.0	55.8	59.5
Production	60.0	65.2	-5.2	Growing	Slower	3	59.2	65.7	55.8	50.0	53.8	59.5
Employment	60.4	60.0	+0.4	Growing	Faster	13	56.1	62.9	59.6	58.0	55.8	59.5
Supplier Deliveries	60.3	59.7	+0.6	Slowing	Faster	14	55.1	66.9	50.0	52.3	51.9	60.7
Inventories	55.4	58.1	-2.7	Growing	Slower	14	53.1	56.0	55.8	53.4	55.8	58.3
Customers' Inventories	46.5	49.9	-3.4	Too Low	Faster	31	44.9	46.8	44.2	46.6	53.8	44.0
Prices	58.9	66.8	-7.9	Increasing	Slower	15	49.0	60.9	71.2	50.0	61.5	64.3
Backlog of Orders	54.1	57.3	-3.2	Growing	Slower	10	45.9	57.7	55.8	46.6	51.9	58.3
Exports	55.3	58.7	-3.4	Growing	Slower	15	53.1	62.1	48.1	45.5	44.2	54.8
Imports	58.2	61.5	-3.3	Growing	Slower	15	60.2	60.5	53.8	53.4	53.8	60.7
Six-month Outlook	61.1	63.2	-2.1	Growing	Slower	15	59.2	68.1	53.8	48.9	53.8	61.9
Production Materials	34	34	-	-	-	-	33	31	48	40	30	30
MRO Supplies	28	28	-	-	-	-	35	23	40	32	23	24
Capital Expenditures	55	61	-	-	-	-	61	45	68	67	74	41

Chart 1: Time Series of Taiwan Manufacturing PMI

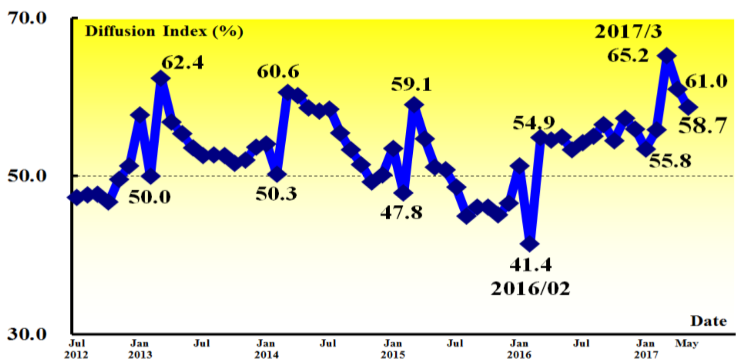
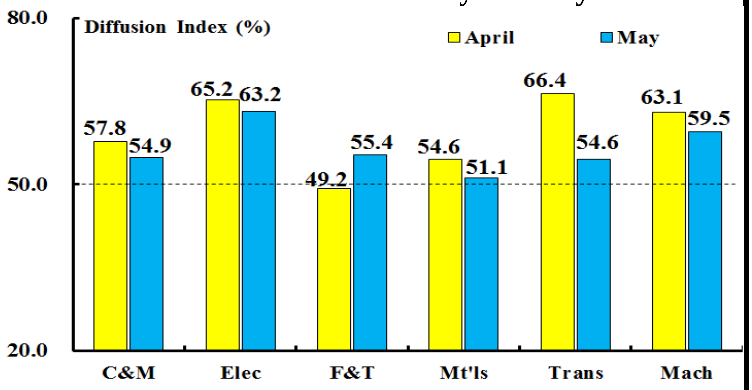


Chart 2: Performance by Industry



Summary

- The manufacturing sector expanded for fifteen consecutive months in May while the Taiwan Manufacturing PMI registered 2.3 percentage points lower than the 61.0 percent in April.
- The New Orders Index showed continued growth in May, but at slower rates than in April, dropping 4.9 percentage points to 57.3 percent.
- The Production Index decelerated but it is still at very positive levels, registered 60.0 percent in May.
- The Employment Index registered 60.4 percent in May, and marked the first time that the index has rose above the 60.0 percent for three consecutive months since July 2012.
- The Supplier Deliveries Index registered 0.6 percentage point higher than the 59.7 percent in April, indicating the delivery performance of suppliers in the manufacturing sector was faster for fourteen consecutive months.
- Manufacturers continue to experience higher price level for fifteen consecutive months while the Prices index further fell 7.9 percentage points to 58.9 percent reported in May.
- Manufacturers' order backlogs remained in growth territory for ten consecutive months while the Backlog of Orders Index registered 3.2 percentage points lower than the 57.3 percent reported in April.
- Both Export and Import Indexes continued its growth trend for fifteen consecutive months, but at slower rates than in April, dropping 3.4 and 3.3 percentage points to 55.3 and 58.2 percent, respectively.
- The Six-month Outlook Index has rose above the 60.0 percent for five consecutive months but further fell 2.1 percentage points to 61.1 percent in May.
- All the manufacturing industries categories reporting growth in May in the following order: Electronics & Optical (63.2%); Electrical & Machinery Equipment (59.5%); Foods & Textiles (55.4%); Chemical, Biological & Medical (54.9%); Transportation Equipment (54.6%) and Basic Materials (51.1%).

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 300manufacturing 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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