

## July 2017 Taiwan Manufacturing PMI

PMI at 59.0%

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

### MANUFACTURING AT A GLANCE

July 2017

Index	Series Index Jul	Series Index Jun	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	59.0	57.6	+1.4	Growing	Faster	17	50.2	62.8	55.6	54.1	61.2	59.8
New Orders	61.2	58.3	+2.9	Growing	Faster	17	45.7	68.9	55.6	53.8	53.8	60.0
Production	61.8	57.3	+4.5	Growing	Faster	5	47.8	68.9	53.7	55.1	59.6	60.0
Employment	57.8	58.6	-0.8	Growing	Slower	15	58.7	59.4	53.7	52.6	61.5	61.1
Supplier Deliveries	58.5	59.0	-0.5	Slowing	Slower	16	52.2	63.4	55.6	48.7	59.6	61.1
Inventories	55.7	54.9	+0.8	Growing	Faster	16	46.7	53.2	59.3	60.3	71.2	56.7
Customers' Inventories	49.4	45.9	+3.5	Too Low	Slower	33	44.6	50.0	59.3	47.4	55.8	43.3
Prices	63.2	58.2	+5.0	Increasing	Faster	17	48.9	65.0	63.0	62.8	65.4	66.7
Backlog of Orders	56.8	54.0	+2.8	Growing	Faster	12	45.7	60.6	51.9	56.4	48.1	56.7
Exports	56.2	57.9	-1.7	Growing	Slower	17	46.7	65.4	48.1	46.2	48.1	50.0
Imports	56.8	55.2	+1.6	Growing	Faster	17	47.8	60.2	63.0	50.0	55.8	56.7
Six-month Outlook	63.9	59.1	+4.8	Growing	Faster	17	60.9	68.1	55.6	66.7	59.6	47.8
Production Materials	35	36	-	-	-	-	36	31	45	38	27	40
MRO Supplies	29	29	-	-	-	-	34	27	41	31	23	26
Capital Expenditures	65	65	-	-	-	-	63	60	79	84	56	63

Chart 1: Time Series of Taiwan Manufacturing PMI

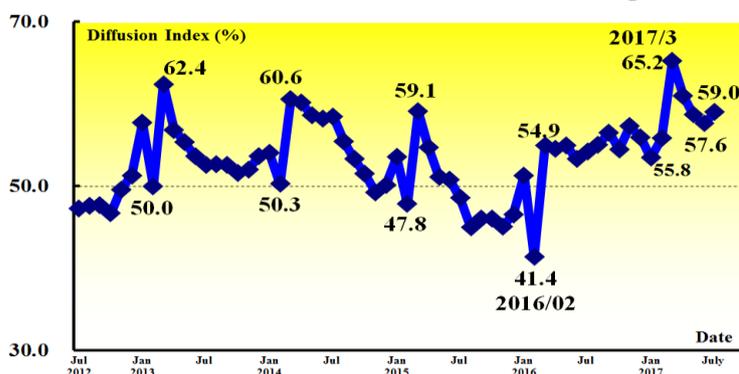
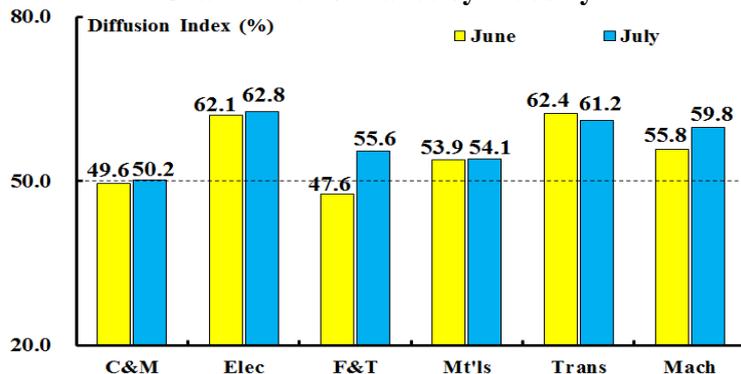


Chart 2: Performance by Industry



#### Summary

- The manufacturing sector expanded at a faster rate in July as the Taiwan Manufacturing PMI registered 59.0 percent, 1.4 percentage points higher than the 57.6 percent in June.
- The New Orders Index of Electronic & Optical industry has risen above the 60.0 percent for six consecutive months and drove the New Orders Index up 2.9 percentage points to 61.2 percent in July.
- Manufacturing production accelerated during July for the first time in the past four months as the Production Index increased 4.5 percentage points to 61.8 percent.
- The manufacturing employment grew at a slower rate, however, it still remains in a relatively strong demand position as The Employment Index registered 57.8 percent in July.
- Manufacturers continue to pay higher price level for seventeen consecutive months as the Prices Index raised up to 63.2 percent in July against 58.2 percent in June.
- Manufacturers' order backlogs remained in growth territory for twelve consecutive months as the Backlog of Orders Index registered 2.8 percentage points higher than the 54.0 percent in June.
- Manufacturing export orders grew for seventeen consecutive months although the Exports Index decreased 1.7 percentage points to 56.2 percent in July.
- The Import Index accelerated and registered 56.8 percent in July following three months of deceleration.
- The Six-month Outlook Index continued its growth trend for seventeen consecutive months and increased 4.8 percentage points to 63.9 percent in July.
- All the manufacturing industries categories reporting growth in July in the following order: Electronics & Optical (62.8%); Transportation Equipment (61.2%); Electrical & Machinery Equipment (59.8%); Foods & Textiles (55.6%); Basic Materials (54.1%) and Chemical, Biological & Medical (50.2%).

## 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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