

July 2025 Taiwan Manufacturing PMI

PMI at 48.0%

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

MANUFACTURING AT A GLANCE

July 2025

Unit : %							Industries					
Index	Series Index July	Series Index June	Percentage Point Change	Direction	Rate of Change	Trend (Months)	C&M	Elec	F&T	Mt'l's	Trans	Mach
Taiwan Manufacturing PMI	48.0	49.6	-1.6	Contracting	Faster	2	53.2	47.1	51.3	46.0	51.1	52.4
New Orders	45.4	47.1	-1.7	Contracting	Faster	4	54.9	43.5	50.0	41.9	41.7	48.7
Production	45.1	47.0	-1.9	Contracting	Faster	2	53.7	44.5	50.0	40.7	50.0	51.3
Employment	47.9	48.2	-0.3	Contracting	Faster	4	56.1	48.0	50.0	50.0	50.0	50.0
Supplier Deliveries	53.0	55.1	-2.1	Slowing	Slower	8	52.4	54.5	56.5	44.2	61.1	57.9
Inventories	48.5	50.4	-1.9	Contracting	From Growing	1	48.8	45.0	50.0	53.5	52.8	53.9
Customers' Inventories	46.7	47.8	-1.1	Too Low	Faster	33	42.7	48.0	45.7	41.9	55.6	51.3
Prices	55.1	55.1	+0.0	Increasing	Same	10	46.3	65.0	45.7	39.5	50.0	53.9
Backlog of Orders	42.6	45.2	-2.6	Contracting	Faster	4	48.8	46.0	37.0	31.4	38.9	46.1
New Export Orders	41.9	46.2	-4.3	Contracting	Faster	2	53.7	42.5	43.5	36.0	38.9	36.8
Imports	44.2	47.8	-3.6	Contracting	Faster	4	51.2	45.0	45.7	37.2	47.2	43.4
Future Outlooks	38.3	39.8	-1.5	Contracting	Faster	4	42.7	40.0	37.0	30.2	36.1	43.4
Production Materials	38	37					34	41	50	41	23	27
MRO Supplies	34	33					33	38	33	37	28	27
Capital Expenditures	65	62					65	75	67	51	95	40

Chart 1: Time Series of Taiwan Manufacturing PMI

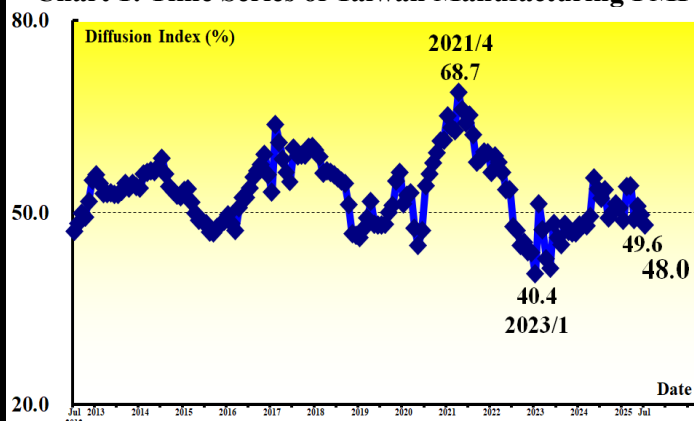
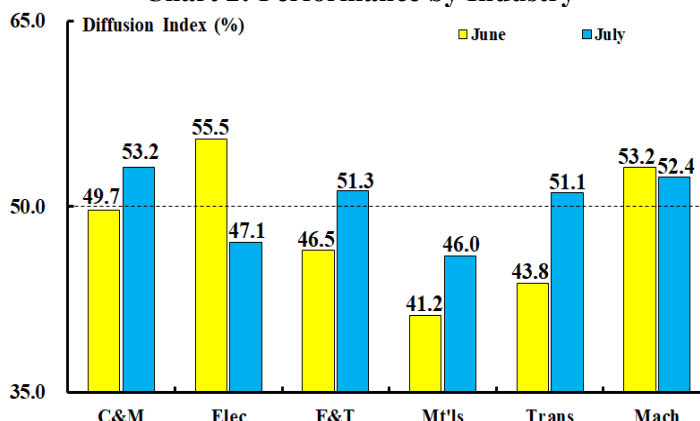


Chart 2: Performance by Industry



Summary

- The manufacturing sector continued in contraction for the second month as the seasonally adjusted Taiwan manufacturing PMI further decreased 1.6 percentage points to 48.0 percent in July.
- Manufacturers' new orders contracted for the fourth consecutive month as the New Orders Index went down 1.7 percentage points to 45.4 percent, recording the fastest contraction rate since June 2023.
- The Production Index was in contraction territory for two consecutive months and further fell 1.9 percentage points to 45.1 percent.
- The Employment Index remained in contraction for four consecutive months and decreased 0.3 percentage point to 47.9 percent.
- The Inventories Index fell 1.9 percentage points to 48.5 percent in July and returned to contraction territory following five consecutive months of growing.
- Manufacturers reported that their customers had insufficient inventories on hand for thirty-three consecutive months, with the Customers' Inventories Index decreased 1.1 percentage points to 46.7 percent.
- Manufacturers have been experiencing higher prices in their purchases for the tenth consecutive month as the Prices Index registered 55.1 percent. Among the six major industries, only the Electronic & Optical and the Electrical & Machinery Equipment industries reported continued increases in input prices compared to June.
- The Backlog of Orders Index went down 2.6 percentage points to 42.6 percent, indicating the fastest contraction rate since March 2024.
- The Future Outlook Index decreased 1.5 percentage points to 38.3 percent, marking the fourth consecutive month of contraction.
- Of the six manufacturing industries, both Basic Materials (46.0%) and Electronic & Optical (47.1%) reported contracting in July 2025. The other four industries reported growth in the following order: Chemical, Biological & Medical (53.2%), Electrical & Machinery Equipment (52.4%), Foods & Textiles (51.3%) and Transportation Equipment (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 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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