

May 2025 Taiwan Manufacturing PMI

PMI at 51.0%

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

MANUFACTURING AT A GLANCE

May 2025

Unit : %							Industries					
Index	Series Index May	Series Index Apr	Percentage Point Change	Direction	Rate of Change	Trend (Months)	C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	51.0	48.9	+2.1	Growing	From Contracting	1	52.1	55.8	49.1	46.7	43.9	54.4
New Orders	49.1	47.5	+1.6	Contracting	Slower	2	51.3	56.9	41.3	43.3	38.9	57.7
Production	50.8	47.5	+3.3	Growing	From Contracting	1	53.9	58.3	50.0	46.7	38.9	60.3
Employment	49.3	46.6	+2.7	Contracting	Slower	2	50.0	53.7	47.8	46.7	38.9	48.7
Supplier Deliveries	52.4	52.7	-0.3	Slowing	Slower	6	53.9	53.2	56.5	46.7	52.8	55.1
Inventories	53.6	50.1	+3.5	Growing	Faster	4	51.3	56.9	50.0	50.0	50.0	50.0
Customers' Inventories	45.9	47.7	-1.8	Too Low	Faster	31	43.4	48.2	45.7	42.2	38.9	47.4
Prices	56.1	56.8	-0.7	Increasing	Slower	8	48.7	62.8	58.7	45.6	52.8	48.7
Backlog of Orders	48.5	48.3	+0.2	Contracting	Slower	2	47.4	51.4	45.7	44.4	36.1	51.3
New Export Orders	50.0	48.6	+1.4	Unchanged	From Contracting	1	50.0	55.0	41.3	41.1	38.9	53.8
Imports	48.6	48.1	+0.5	Contracting	Slower	2	48.7	51.4	47.8	41.1	38.9	55.1
Future Outlooks	40.9	36.0	+4.9	Contracting	Slower	2	47.4	42.7	39.1	35.6	30.6	41.0
Production Materials	36	38					29	39	51	42	26	24
MRO Supplies	34	33					31	36	37	42	28	25
Capital Expenditures	60	58					39	67	64	61	79	45

Chart 1: Time Series of Taiwan Manufacturing PMI

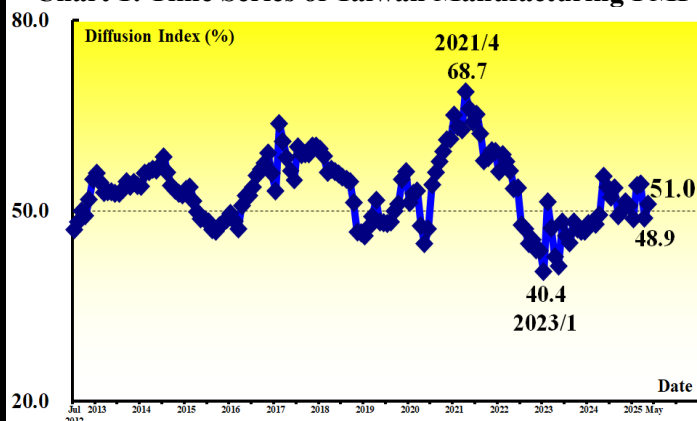
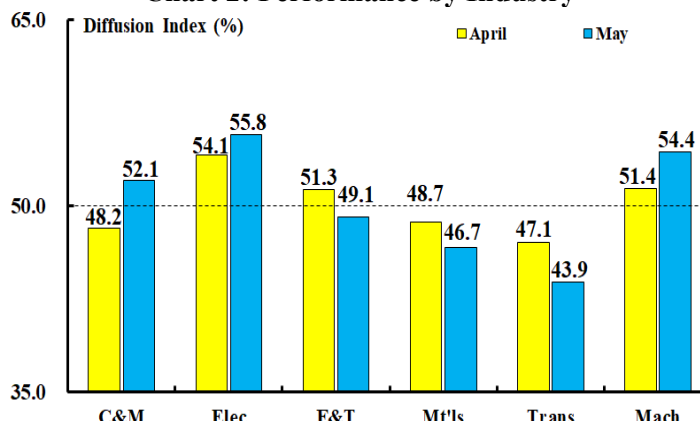


Chart 2: Performance by Industry



Summary

- Following a temporary contraction in April due to reciprocal tariff concerns, the seasonally adjusted Taiwan manufacturing PMI increased 2.1 percentage points to 51.0 percent in May, signaling renewed expansion compared to April.
- Manufacturers' new orders contracted at a slower rate as the New Orders Index went up 1.6 percentage points to 49.1 percent.
- The Production Index returned to growth after the sharp decrease of 8.3 percentage points in April and increased 3.3 percentage points to 50.8 percent in May.
- The Employment Index remained in contraction for the second consecutive month and increased 2.7 percentage points to 49.3 percent, up from the fastest contraction rate since September 2023 (46.6 percent).
- The Supplier Deliveries Index inched down 0.3 percentage point to 52.4 percent, indicating the delivery performance of suppliers to the manufacturing sector was slower for six consecutive months.
- Manufacturers reported that their customers had insufficient inventories on hand for thirty-one consecutive months, as the Customers' Inventories Index decreased 1.8 percentage points to 45.9 percent.
- Manufacturers have been experiencing higher prices in their purchases for the eighth consecutive month as the Prices Index slightly decreased 0.7 percentage point to 56.1 percent.
- The Backlog of Orders Index inched up 0.2 percentage point to 48.5 percent, indicating contraction for two consecutive months.
- Following a plunge of 23.1 percentage points in April, the Future Outlook Index increased 4.9 percentage points to 40.9 percent in May, marking the second consecutive month of contraction.
- Of the six manufacturing industries, three reported growing in the following orders: Electronic & Optical (55.8%), Electrical & Machinery Equipment (54.4%) and Chemical, Biological & Medical (52.1%). While Transportation Equipment (43.9%), Basic Materials (46.7%) and Foods & Textiles (49.1%) reported contraction in May.

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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