

November 2021 Taiwan Manufacturing PMI

PMI at 59.5%

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

MANUFACTURING AT A GLANCE

November 2021

Index	Series Index Nov	Series Index Oct	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries					
							C&M	Elec	F&T	Mt'ls	Trans	Mach
Taiwan Manufacturing PMI	59.5	58.3	+1.2	Growing	Faster	17	59.0	60.2	60.4	53.7	57.1	60.8
New Orders	60.1	56.8	+3.3	Growing	Faster	17	63.1	57.6	67.3	52.2	59.5	57.7
Production	60.5	55.9	+4.6	Growing	Faster	17	64.3	60.6	63.5	48.9	57.1	65.4
Employment	56.2	55.2	+1.0	Growing	Faster	17	53.6	58.5	57.7	52.2	52.4	48.7
Supplier Deliveries	64.4	65.7	-1.3	Slowing	Slower	25	63.1	65.7	59.6	58.7	61.9	76.9
Inventories	56.5	58.0	-1.5	Growing	Slower	11	51.2	58.5	53.8	56.5	54.8	55.1
Customers' Inventories	49.7	49.4	+0.3	Too Low	Slower	2	44.0	53.8	46.2	50.0	38.1	41.0
Prices	79.0	80.9	-1.9	Increasing	Slower	18	82.1	82.6	84.6	67.4	64.3	82.1
Backlog of Orders	53.5	50.3	+3.2	Growing	Faster	16	53.6	56.8	51.9	43.5	54.8	57.7
New Export Orders	54.7	50.6	+4.1	Growing	Faster	17	60.7	58.9	53.8	41.3	57.1	51.3
Imports	58.3	56.5	+1.8	Growing	Faster	17	57.1	59.7	57.7	54.3	59.5	60.3
Future Outlooks	57.9	54.2	+3.7	Growing	Faster	16	59.5	60.2	63.5	51.1	57.1	53.8
Production Materials	51	46	-	-	-	-	44	56	38	52	45	57
MRO Supplies	39	39	-	-	-	-	38	42	23	38	28	50
Capital Expenditures	74	67	-	-	-	-	53	78	97	61	86	79

Chart 1: Time Series of Taiwan Manufacturing PMI

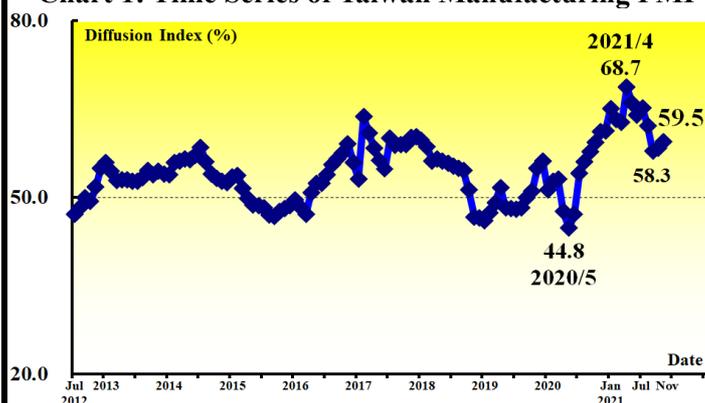
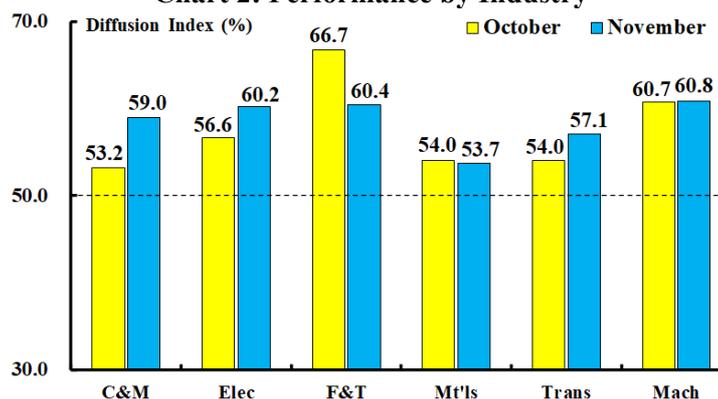


Chart 2: Performance by Industry



Summary

- The seasonally adjusted Taiwan Manufacturing PMI increased 1.2 percentage points to 59.5 percent in November, raised up from the slowest growth rate since October 2020 recorded in September.
- The seasonally adjusted New Orders Index registered the lowest reading of 53.5 percent since July 2020 in September, while the index further increased 3.3 percentage points and registered 60.1 percent in November.
- The seasonally adjusted Production Index accelerated following three months of deceleration as the index increased 4.6 percentage points to 60.5 percent in November.
- The seasonally adjusted Employment Index further increased 1.0 percentage point to 56.2 percent, went up from 54.5 percent in September, the lowest reading since November 2020.
- The New Orders and Production Indexes accelerated in November, while the Supplier Deliveries Index further decreased 1.3 percentage points to 64.4 percent in November.
- The Inventories Index expanded for eleven consecutive months but fell 1.5 percentage points to 56.5 percent in November.
- The Customers' Inventories Index slightly increased by 0.3 percentage point to 49.7 percent in November, indicating manufacturers believe that their customers have insufficient inventories on hand for the second consecutive month.
- The Prices Index maintained above 70.0 percent for thirteen consecutive months but went down 1.9 percentage points to 79.0 percent in November.
- The Backlog of Orders Index rose 3.2 percentage points from the lowest reading of 50.3 percent since August 2020 and registered 53.5 percent in November.
- The Future Outlooks Index increased 3.7 percentage points to 57.9 percent in November following three consecutive months of deceleration.
- All manufacturing industries categories reported growing in the following order: Electrical & Machinery Equipment (60.8%), Foods & Textiles (60.4%), Electronic & Optical (60.2%), Chemical, Biological & Medical (59.0%), Transportation Equipment (57.1%) and Basic Materials (53.7%).

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.

Contact Information:

For economics comments, data and technical queries, please contact

Shin-Hui Chen, Ph.D.

Assistant Research Fellow, Division of Taiwan Economy
Chung-Hua Institution for Economic Research
E-Mail: csh@cier.edu.tw
Tel: +(886) 2 27356006 ext. 623
www.cier.edu.tw

For industry comments, please contact:

Steve Lai

Executive Director, Center for Purchasing and Supply Studies
Supply Management Institute, Taiwan
E-Mail: stevelai@smit.org.tw
Tel: +(886) 2 27495889
www.smit.org.tw