News Release
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S&P Global Taiwan Manufacturing PMI®

Output expands at steepest rate in over four-and-a-half years in Feburary

February 2026

Firms signal quicker rise in output amid stronger sales pipeline

Cost pressures intensify as supply chains struggle to meet demand

Business confidence improves to a 21-month high

Taiwanese manufacturing growth gained further momentum in February, according to the latest PMI® data. Firms signalled sharp and accelerated increases in output, new orders and purchasing activity, while inventories also expanded at faster rates. However, supply chain performance deteriorated at a quicker pace, and inflationary pressures picked up.

The seasonally adjusted S&P Global Taiwan Manufacturing Purchasing Managers' Index™ (PMI) rose from 51.7 at the start of 2026 to 55.2 in February, signalling a sharp improvement in overall business conditions. The health of the sector has now strengthened in each of the past three months, with the latest upturn the most pronounced since December 2021.

Helping to push the headline index higher was a steeper rise in new business received by Taiwanese manufacturers. The rate of expansion was the quickest since July 2021. According to panellists, the increase was supported by greater customer demand both at home and abroad.

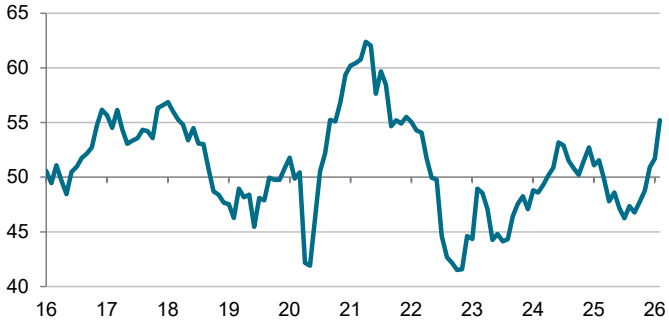
New export business likewise expanded sharply, with the rate of growth the quickest seen in just over four years. Companies reported a broad-based improvement in demand, with increased sales to key markets such as Europe, Japan, mainland China and the US.

Firms responded to greater inflows of new work by raising their production volumes again in February. The rate of growth was the sharpest seen since mid-2021.

Increased production requirements prompted firms to expand their purchasing activity, with the latest upturn the most pronounced since November 2021. As a result, stocks of inputs rose to the greatest extent in four years. The sustained and strong increase in customer demand also led to a marked rise in stocks of finished items; the rate of accumulation was the fastest recorded since May 2011.

Higher demand for inputs placed greater pressure on suppliers, as average lead times for purchased items lengthened at a faster pace in February. Firms often noted that vendors held insufficient stock to meet demand, and this led to the most pronounced deterioration in vendor

S&P Global Taiwan Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 4-19 February 2026.
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Comment

Annabel Fiddes, Economics Associate Director at S&P Global Market Intelligence

"Taiwan's manufacturing industry saw the quickest improvement in business conditions since the end of 2021 in February. Stronger global demand conditions drove the sharpest increases in output and new orders for over four-and-a-half years, which prompted firms to raise both their purchasing activity and inventory levels at stronger rates.

"However, employment growth remained relatively lacklustre, which led to a rapid build-up of unfinished work. The modest expansion of staff numbers coincided with signs of greater cost pressures, with input prices rising to the greatest extent since April 2022.

"The notable pick up in demand and accumulation of backlogs suggest that the sector is on course for further increases in output in the near-term. With demand for semiconductors and other AI-related technology ramping up worldwide, this is likely to support the sector's recovery in the months ahead, though it will add further pressure on supply chains. February showed that vendor performance deteriorated at the fastest pace for over a year-and-a-half, as suppliers increasingly struggled to keep up with demand."

PMI® by S&P Global

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performance since July 2024.

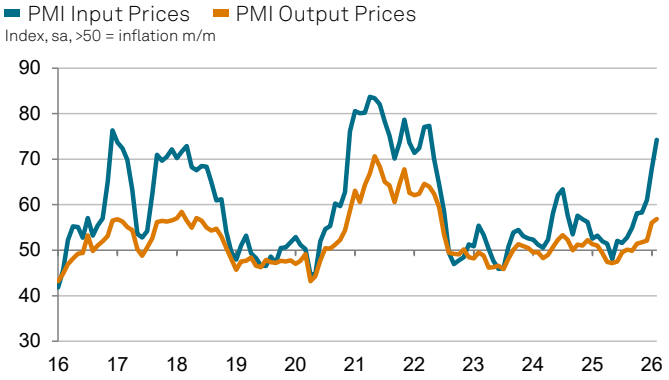
Concurrently, price pressures across Taiwan's manufacturing sector picked up. Average input costs increased at the sharpest pace since April 2022, amid reports of a broad-based hike in supplier prices for raw materials.

As a result, factories raised their selling prices for the fifth month in a row. The rate of charge inflation was the quickest seen since mid-2022 and marked.

Although rates of output and new order growth accelerated notably, firms remained relatively cautious in terms of job creation in February. Employment rose modestly overall, although this represented the strongest increase in staff numbers for nearly three-and-a-half years.

Sharply rising intakes of new work and mild growth in payrolls contributed to a further increase in unfinished business. Furthermore, the rate of backlog accumulation was the sharpest recorded since August 2021.

Finally, firms expressed greater optimism when assessing the 12-month outlook for production in February. The level of positive sentiment was the best seen since May 2024, with firms generally hopeful that global demand conditions will continue to strengthen in the months ahead.



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Methodology

The S&P Global Taiwan Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2004.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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PMI by S&P Global

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