News Release
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S&P Global Taiwan Manufacturing PMI®

Business conditions deteriorate at weakest pace in five months

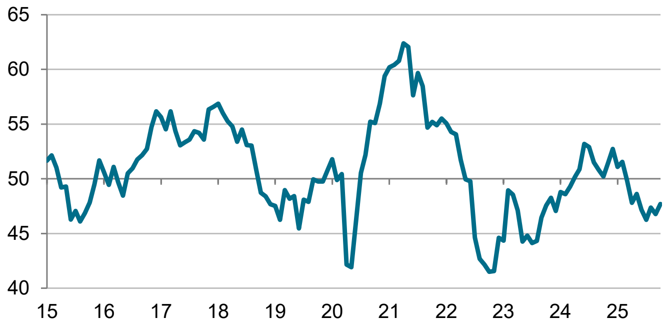
October 2025

Softer, but still solid falls in production and new work

Employment broadly stabilises

Input cost inflation hits 15-month high, leading to fresh rise in selling prices

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



Data were collected 9-23 October 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Manufacturers in Taiwan signalled a softer deterioration in overall business conditions in October. Output and new orders both fell at rates that, though solid, were the slowest in five months, while employment declined only fractionally.

Price pressures picked up, however, with input costs rising at the sharpest rate since July 2024.

The seasonally adjusted S&P Global Taiwan Manufacturing Purchasing Managers' Index™ (PMI®) increased from 46.8 in September to 47.7 in October, but remained below the crucial 50.0 threshold to signal a further deterioration in the health of the sector. Operating conditions have now weakened in each of the past eight months, though the latest decline was the softest seen since May.

Taiwanese goods producers cut their production levels again at the start of the fourth quarter, thereby stretching the current period of reduction to seven months. However, whilst solid, the rate of contraction was the weakest seen since May. Firms that recorded lower production often attributed this to weaker customer demand.

New orders likewise fell at a slower, but solid pace in October. Panellists indicated that new business had fallen across both domestic and international markets, which was partly linked to the impact of US tariffs.

The amount of new business received from overseas fell markedly in the latest survey period, despite the rate of decline easing to the weakest in five months. There were frequent reports that new export business had fallen due to lower sales in the US. However, weaker customer demand was also reported across Europe, mainland China and Japan.

The sustained fall in new work and lower production requirements led companies to scale back their purchasing activity again in October. The rate of contraction was little-changed from September and sharp overall.

Companies also maintained a cautious approach towards inventory levels, with stocks of inputs and finished goods falling again at the start of the fourth quarter. Notably, stocks of pre-production items declined at the steepest rate in 21

Comment

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

"October's PMI survey suggested that business conditions across Taiwan's manufacturing sector moved closer to stabilising, with companies reporting softer falls in output and new orders. However, both metrics signalled solid rates of decline overall, to indicate that conditions remained challenging for companies amid reports of sluggish global demand and the impact of US tariffs.

"The latest survey also pointed to stronger inflationary pressures, with input costs rising at the quickest rate in over a year. This translated into a fresh rise in selling prices, as firms looked to protect their margins, and suggests official price measures could move upwards in the coming months.

"More encouragingly, employment across the sector was broadly stable, having fallen only fractionally in October. The index measuring confidence for the year ahead also moved closer to the neutral 50.0 level which, alongside other developments, hints that the worst of the current downturn is now behind us."

PMI by S&P Global

months.

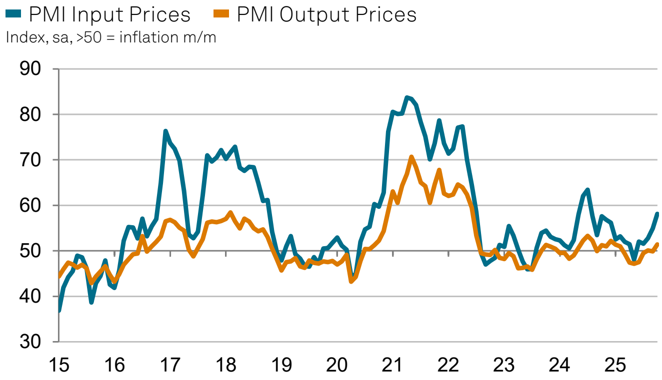
Although firms continued to trim their input buying, suppliers' delivery times lengthened again in October. There were reports that shortages of specific inputs, such as semiconductors, had contributed to longer delivery times.

On the employment front, companies signalled only a fractional reduction in headcounts in October, with the rate of job shedding the weakest recorded since February. Lower payrolls were generally linked to the non-replacement of voluntary leavers.

At the same time, the amount of backlogged work fell at a slower pace in October. The modest drop in outstanding business was commonly attributed to a lack of incoming new work to replace existing projects.

Inflationary pressures meanwhile strengthened at the start of the final quarter, with average input costs rising at the sharpest pace in 15 months. According to panel members, increased costs for raw materials drove the latest rise in expenses. Firms passed on higher input prices where possible, which led to a fresh increase in average selling prices that was the most pronounced in ten months.

While companies remained generally pessimistic regarding output over the next year, the degree of negative sentiment was not as severe as those recorded in the three prior months. Companies that forecast lower production often linked this to concerns over future client demand and the impact of US tariffs.



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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 400 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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