

# S&P Global Taiwan Manufacturing PMI<sup>®</sup>

## Manufacturing output expands at quickest rate since July 2021 in May

### May 2026

Steeper increase in output as new orders continue to rise sharply

Firms report intense cost pressures amid severe supply chain disruption

Stockpiling efforts drive quicker upturn in purchasing activity

Taiwanese goods producers signalled further steep increases in output and new orders during May, according to the latest PMI<sup>®</sup> data, which were both linked to stockpiling efforts due to disruptions stemming from the Middle East war. The latter continued to weigh heavily on supply chain performance and drove another rapid increase in input costs and subsequently selling prices.

At 56.1 in May, the seasonally adjusted S&P Global Taiwan Manufacturing Purchasing Managers' Index<sup>™</sup> (PMI) rose from 55.3 in April and signalled another marked improvement in the health of the sector. Notably, the rate of expansion was the quickest recorded since August 2021. Business conditions have now strengthened in each of the past six months.

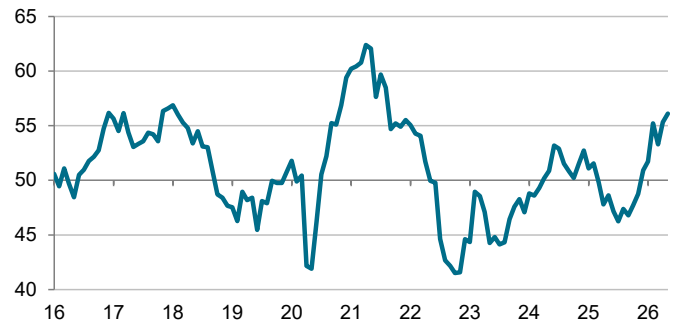
Helping to push up the headline PMI figure was a stronger increase in output during May. Taiwanese manufacturers recorded the steepest increase in production since July 2021, which was largely attributed to greater amounts of new work and efforts to bolster inventory levels.

Overall new business expanded at a sharp and accelerated rate that was the joint-quickest since July 2021 (after February 2026). Where higher sales were reported, firms generally linked this to firmer demand at home and overseas, which was partly driven by stock building initiatives among clients as they looked to protect themselves against future product shortages and price hikes due to the ongoing war in the Middle East.

New export orders meanwhile rose at a solid pace that matched that seen in April, with higher demand reported across key markets such as the US, Europe, Japan and mainland China.

In order to support higher production and expand safety stocks, manufacturers in Taiwan raised their purchasing activity again in May. Notably, the rate of growth was the second-sharpest since November 2021 and rapid overall. Concurrently, inventories of inputs rose at a quicker pace that was the second-fastest in over four years. Inventories of post-production goods meanwhile expanded solidly following a slight reduction at the start of the second quarter.

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



Data were collected 12-20 May 2026.

Source: S&P Global PMI. ©2026 S&P Global.

### Comment

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

"Taiwan's manufacturing sector continued to expand at a marked pace in May, with output growth hitting a near five-year high as new orders increased sharply.

"However, the survey revealed that much of this growth stems from stockpiling activities by both manufacturers and their clients, as they looked to safeguard against any future product shortages and price rises due to the war in the Middle East. This suggests that the current momentum could soon fade once inventories are replenished, especially if cost pressures continue to build.

"These intense price pressures remain a key feature of the PMI survey, with May's data showing some of the steepest increases in input costs and selling prices since the survey began over 22 years ago.

"Therefore, while stock building activities are likely to boost Taiwan's manufacturing sector performance in the short-term, conditions could weaken in the months ahead as global inflationary pressures persist, and customer budgets come under greater strain."

## S&P Global Taiwan Manufacturing PMI®

The latest survey pointed to greater strain on supply chains, with average lead times for inputs lengthening at a substantial pace that was the most pronounced since March 2022. There were frequent reports that shipping delays and product shortages amid the war in the Middle East had weighed on supplier performance.

Higher amounts of new orders and shortages of some raw materials contributed to a rapid increase in backlogs of work during May. Furthermore, the rate of accumulation was the joint-quickest since August 2021. However, firms maintained a cautious approach to staffing levels, as employment across Taiwan's manufacturing industry was broadly unchanged in May following a slight reduction in April.

The subdued hiring trend coincided with a further surge in average input costs during May. Notably, the rate of input price inflation eased only slightly from April's multi-year record and was among the sharpest seen in over 22 years of data collection. Increased prices for raw materials, driven in part by the Middle East war, were frequently mentioned by panel members.

In order to protect their margins, manufacturers in Taiwan raised their selling prices again in May. The rate of inflation remained below that seen for overall costs, but was nonetheless also among the quickest seen over the survey's history.

Taiwanese manufacturers expressed greater optimism when assessing the one-year outlook for output in May. The overall degree of positive sentiment improved to the second-highest in two years and was above the series average. There were hopes that further increases in customer demand, particularly in areas such as electronics and AI, could help to boost production in the months ahead.

## 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.

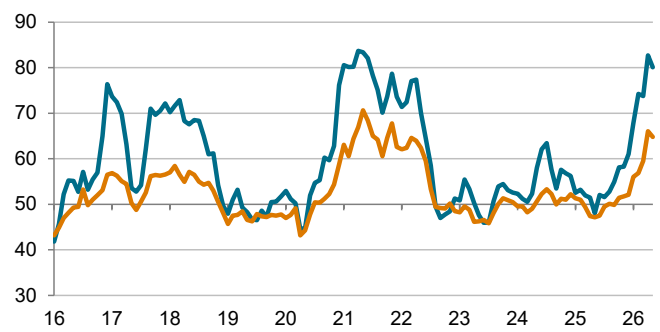
For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

PMI Input Prices    PMI Output Prices  
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2026 S&P Global.

## Contact

Annabel Fiddes  
Economics Associate Director  
S&P Global Market Intelligence  
T: +44-1491-461-010  
[annabel.fiddes@spglobal.com](mailto:annabel.fiddes@spglobal.com)

Eri Amano  
APAC Senior Communications Manager  
+81 (0) 80 3714 7658  
[eri.amano@spglobal.com](mailto:eri.amano@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

If you prefer not to receive news releases from S&P Global, please email [press.mi@spglobal.com](mailto:press.mi@spglobal.com). To read our privacy policy, click [here](#).

## S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com)

## PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)