

S&P Global Taiwan Manufacturing PMI[®]

Input price inflation hits near-record high in April as supply chain disruptions intensify

April 2026

Input costs rise at steepest pace since May 2021...

...as Middle East war leads to greatest strain on supply chains since the pandemic

Production and sales rise sharply as firms look to stockpile

Taiwan's manufacturing sector regained momentum at the start of the second quarter, according to the latest PMI[®] data, with production and new work both rising at sharper rates. However, the upturn was often linked to concerns around future supplier price hikes and shortages due to the war in the Middle East, with firms noting the most marked deterioration in supplier performance for four years, and one of the steepest rises in costs on record.

The seasonally adjusted S&P Global Taiwan Manufacturing Purchasing Managers' Index[™] (PMI) picked up from 53.3 in March to 55.3 in April, signalling a sharp improvement in business conditions that was the strongest recorded since December 2021. The headline PMI has now posted in positive territory for five successive months.

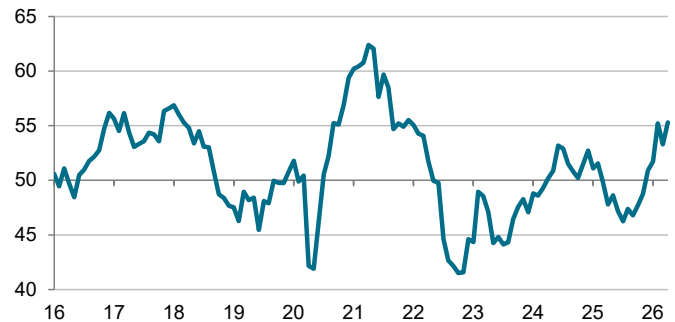
Manufacturers in Taiwan reported a further rise in production in April, with the rate of growth the second-quickest recorded since June 2024 (after February 2026). Firms frequently mentioned that this was due to rising amounts of new work but also efforts to protect against future supplier price hikes and shortages due to the war in the Middle East.

Total new business increased at the second-sharpest pace since July 2021 (behind only February 2026), which was likewise linked to stockpiling amongst customers. New export business rose at the second-fastest pace since early 2022. Firms noted greater intakes of new work across a number of markets, including the US, Europe, mainland China, Japan and Southeast Asia.

Higher production requirements and efforts to build up inventories due to concerns of future supply chain disruption and price hikes led firms to scale up their purchasing activity again in April. Furthermore, the rate of expansion was the second-steepest seen in nearly four-and-a-half years.

Average supplier performance deteriorated at a quicker pace, however, due to disruptions stemming from the war and rising demand for inputs. Notably, average lead times lengthened at a rapid rate that was the most pronounced in just over four years.

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



Data were collected 9-22 April 2026.
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Comment

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

"The latest PMI data pointed to rising activity across Taiwan's manufacturing industry, as producers and their clients looked to build their stock levels amid the war in the Middle East.

"The war contributed to the greatest disruption to supply chains since the COVID-19 pandemic and a substantial rise in input costs at the start of Q2. Expenses rose at one of the fastest rates since the survey began 22 years ago amid widespread reports of supplier price hikes, with rising oil prices a key driver of inflation. These higher costs were often passed on to clients, with selling prices also rising at a substantial pace.

"On a more positive note, business confidence remained relatively resilient, despite slipping to a three-month low, with many companies hopeful that demand will continue to rise, particularly across AI-related sectors. However, the war in the Middle East continues to cloud the outlook and meant more firms adopted a more cautious approach to their forecasts."

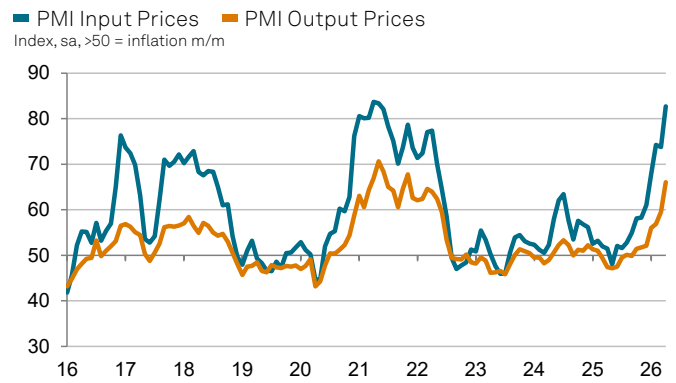
Panellists reported that strained supply chains had dampened their stock building efforts, with inventories of purchased items rising at only a modest pace that was the softest in three months. Meanwhile, a greater use of existing finished goods inventories to fulfil orders led to a renewed drop in stocks of post-production items, albeit marginal.

Material shortages and shipping disruptions were also linked to a stronger rise in average input prices. Taiwanese manufacturers signalled the sharpest rise in costs for nearly five years in April, and one that was among the quickest since the survey began in 2004. This in turn led to the steepest increase in selling prices since late-2021.

Although output and sales continued to rise, goods producers recorded a further decline in staffing levels in April. That said, the rate of job losses remained marginal and was generally linked to the non-replacement of voluntary leavers.

Lower headcounts and higher amounts of new work resulted in a sustained upturn in unfinished work. Furthermore, the rate of backlog accumulation was the second-steepest since October 2021.

When assessing the one-year outlook for output, manufacturers in Taiwan were generally upbeat at the start of the second quarter. While firms often anticipate customer demand to continue to strengthen and greater spend in AI-related sectors, the overall degree of positive sentiment slipped to a three-month low. This was often attributed to uncertainty over the war in the Middle East, which led to more cautious forecasts at some firms.



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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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