

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

## Taiwan's manufacturing sector returns to growth at end of 2025

### December 2025

Output and new orders both rise for first time since March

Business confidence picks up again

Input costs increase at fastest pace for nearly a year-and-a-half

The health of Taiwan's manufacturing industry improved for the first time in ten months in December, according to latest PMI<sup>®</sup> data. Companies recorded fresh increases in production, new orders and inventories, while firms were also more upbeat about the 12-month outlook for output.

Operating expenses meanwhile rose at the quickest pace since July 2024 but, due to limited pricing power, selling prices increased only modestly.

The seasonally adjusted S&P Global Taiwan Manufacturing *Purchasing Managers' Index*<sup>™</sup> (PMI) posted above the crucial 50.0 level at 50.9 in December, up from 48.8 in November, and signalled an improvement in operating conditions. Though only marginal, it marked the first upturn in the health of the sector since February.

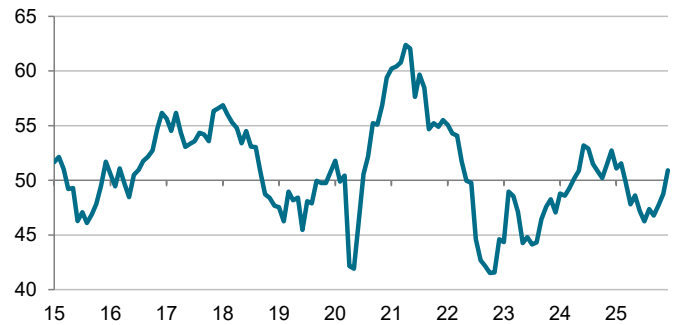
Goods producers in Taiwan registered a renewed upturn in customer demand at the end of 2025. Whilst the rate of new order growth was modest, the increase in new business ended an eight-month period of decline. There were frequent reports that demand conditions had improved and customer spending had increased. However, a number of firms continued to note relatively sluggish global economic conditions overall. As such, the index measuring new export orders indicated that foreign demand for Taiwanese goods was broadly stable in December, falling at a fractional pace that was the weakest in nine months.

The rise in overall new work led firms to scale up their production volumes for the first time since March, albeit marginally.

Manufacturers expanded their purchasing activity slightly in December, thereby ending an eight-month sequence of decline. Firms were also hopeful of further increases in sales in the months ahead, which in turn led to renewed expansions in stocks of both purchased and finished goods. Notably, the latter grew at a solid pace that was the steepest since March 2022.

At the same time, supplier performance continued to deteriorate in December, as average lead times for inputs

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



Data were collected 4-15 December 2025.  
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 ended 2025 on a high, with firms signalling fresh increases in production and overall new business amid reports of firmer demand conditions.

"There were signs that companies anticipate the recovery to continue into 2026, with manufacturers building their inventories and expressing stronger optimism around future output.

"However, cost pressures intensified again in December, with input costs rising at the sharpest pace for nearly a year-and-a-half. This weighed on staff hiring as businesses looked to limit expenses where they could.

"To sustain the upturn, we need to see further improvements in demand - particularly from overseas, where sales have only just stabilised - and greater supply chain resilience. Vendor performance deteriorated at the quickest pace in 17 months amid reports of material shortages, which has also added upward pressure on prices. Not only are firms' facing higher costs, but their ability to pass these on to customers remains limited due to tough market competition. If we see further increases in sales, however, this could shift pricing power back towards manufacturers, which could help ease pressure on margins."

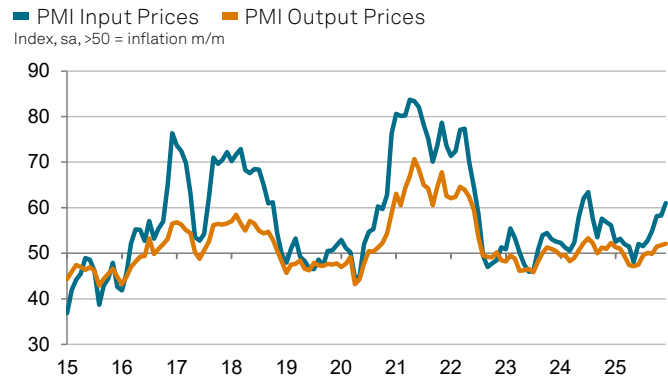
lengthened to the greatest extent for nearly a year-and-a-half. Panel members often linked longer delivery times to insufficient stock levels at suppliers.

Improved expectations around future demand were also evident when firms were asked about their output projections for the year ahead. Notably, the degree of optimism rose to the highest since March.

Despite the fresh increases in output and new orders, Taiwanese manufacturers adopted a cautious approach to staff recruitment in December. Employment fell slightly, following a marginal upturn in November, with a number of firms commenting on hiring freezes due to concerns over costs. Lower headcounts and higher sales placed greater pressure on capacity, leading to the first expansion in backlogs of work since February.

Prices data indicated that inflationary pressures intensified at the end of the year, with input costs rising to the greatest extent in 17 months. According to anecdotal evidence, higher raw material prices were the principal driver of inflation, which was partly linked to supplier shortages.

Average selling prices also increased in December. The rate of charge inflation was modest, however, with some manufacturers noting that pricing power was limited due to relatively subdued market conditions and client negotiations.



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](#).

## 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](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.