

# News Release

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

### Production declines at quickest rate for a year-and-a-half in June

#### Key findings

Steeper drop in output as downturn in sales gathers pace

Selling prices cut again, despite renewed rise in input costs

Employment falls as business confidence remains weak

Operating conditions faced by Taiwanese manufacturing firms deteriorated at the quickest pace for 18 months in June. Companies signalled steeper reductions in output, new orders and new export business, with firms often linking this to weaker global demand conditions and uncertainty around future US tariffs. At the same time, firms trimmed their staffing levels and remained downbeat when assessing the 12-month outlook for production. As part of efforts to attract and secure new business, manufacturers reduced their selling prices again in June, despite a fresh increase in input costs.

The seasonally adjusted S&P Global Taiwan Manufacturing Purchasing Managers' Index™ (PMI<sup>®</sup>) slipped from 48.6 in May to 47.2 in June to indicate a decline in the health of Taiwan's manufacturing sector for the fourth month running. Moreover, the rate of deterioration was the steepest seen in a year-and-a-half and solid.

Output across Taiwan's manufacturing industry fell again in June, with the rate of contraction accelerating to the quickest since December 2023. According to panel members, production levels were cut due to weaker demand conditions and lower volumes of new work.

Overall new business likewise decreased at a steeper rate in June, and one that was the sharpest since August 2023. There were frequent reports that customer demand both domestically and internationally had declined amid US tariffs and trade uncertainty. Furthermore, new export work contracted at the fastest rate in 18 months.

Softer demand conditions led manufacturers to lower their purchasing activity again at the end of the second quarter. At the same time, firms maintained a cautious approach to inventory levels. Stocks of inputs fell for the third time in the past four months, while inventories of finished goods rose only slightly.

Supplier shortages and transportation delays contributed to

S&P Global Taiwan Manufacturing PMI  
sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 12-20 June 2025.

#### Comment

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

*"June PMI data indicated that the downturn across Taiwan's manufacturing sector gathered pace, with firms registering the steepest drop in output for a year-and-a-half."*

*"Central to production cuts were further signs of demand weakness. Overall new business fell at the quickest pace for nearly two years, while new export sales also declined at a sharper rate, with companies frequently commenting on reduced customer demand at home and overseas amid tariff concerns and client hesitency."*

*"Lower sales and lingering uncertainty led companies to cut back purchasing and reduce their headcounts, with firms also anticipating output to decline further over the coming year."*

*"Based on the current data, it seems unlikely that Taiwan's manufacturing sector will see conditions improve in the near-term unless we see a marked improvement in the global trade environment and stronger business confidence. In the meantime, companies are cutting their selling prices as part of efforts to attract sales in this challenging climate."*

PMI<sup>®</sup>

by S&P Global

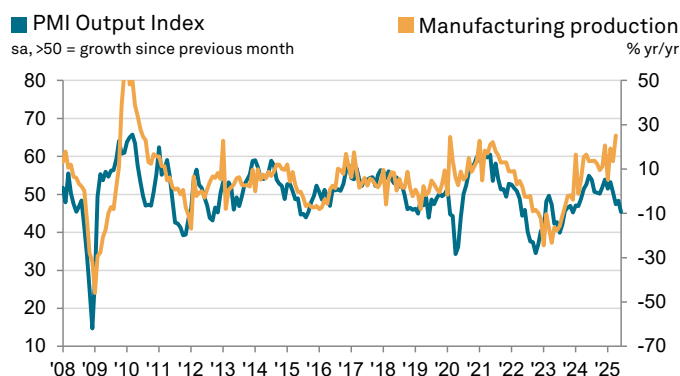
a further deterioration in supply chain performance in June. Though only marginal, the rate at which lead times for inputs lengthened was the quickest seen in 2025 to date.

Reduced intakes of new work and efforts to cut costs drove a further fall in employment during June. That said, the rate of job shedding was similar to that seen in May and only slight. At the same time, subdued sales meant there was sufficient capacity for firms to clear backlogs of work, which fell for the fourth month in a row.

After declining for the first time in nearly two years in May, average input costs increased in June. The rate of inflation was mild, however, and much slower than the historical trend. According to panel members, higher expenses generally stemmed from greater raw material prices.

Despite the fresh rise in input costs, factory gate prices declined for the fourth successive month in June. The rate of discounting was modest, and frequently linked to initiatives to boost sales. There were also reports that price negotiations with customers had led some firms to cut their charges.

Lingering uncertainty over US tariffs and the wider global trade environment dampened business confidence in June. Notably, Taiwanese manufacturers expressed pessimism around the year-ahead outlook for output for the third straight month. The overall degree of negative sentiment was not as severe as those recorded in April and May, however.



Sources: S&P Global PMI, National Statistics via S&P Global Market Intelligence

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### Survey 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).

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### About PMI

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)