

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

PMI at 49.3 in April

April 2024 Key findings:

- Renewed slowdown in output
- Purchasing activity and inventories increase
- Input cost and output price inflation ease to four-month lows

Summary

Latest PMI® data pointed to a challenging month for Turkish manufacturers at the start of the second quarter of 2024. A sustained slowdown in new orders was recorded, feeding through to a renewed moderation of output. More positively, employment was broadly unchanged while firms raised purchasing activity amid efforts to build inventories. Inflationary pressures remained elevated, but eased to the slowest in the year-to-date.

The headline Istanbul Chamber of Industry Türkiye Manufacturing PMI® is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The headline PMI moved below the 50.0 no-change mark in April, posting 49.3 from 50.0 in March. The index thereby signalled a moderation of business conditions for the first time in three months, albeit one that was only marginal overall.

The renewed moderation of business conditions in part reflected a return to slowing output in April. Production eased for the first time in three months amid softening demand conditions.

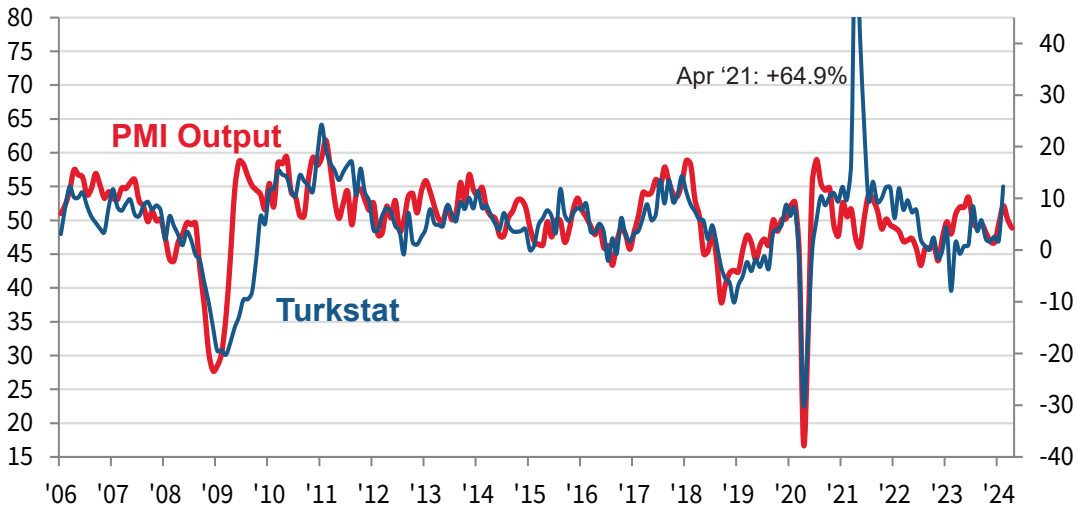
Demand was impacted by rising prices and high interest rates, with new orders softening for the tenth month running. New business from abroad also moderated, again linked to price increases, but to a lesser extent than total new orders.

Input costs continued to rise sharply amid currency

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) May 2 2024

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weakness and higher prices for raw materials and logistics. The rate of inflation eased to a four-month low, however, which was also the case with regards to selling prices.

In spite of the weakness in new orders and output, firms continued to expand their purchasing activity. Input buying rose for the third month running, feeding through to higher stocks of purchases for the first time in almost two years. Meanwhile, stocks of finished goods also accumulated, reflecting the recent spell of production growth at a time of moderating new orders.

Employment was broadly unchanged following slowdowns in each of the previous two months. Some respondents mentioned the need for extra staff, but others reported that finding suitable workers had proved challenging.

Comment

Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing PMI survey data, Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

"The recent spell of output growth was unable to be sustained at a time of moderating new orders and came to an end in April. Firms will be hoping that demand can pick up soon and feed through to sustainable improvements in production. There was some easing of inflation over the month to the lowest in the year so far, but manufacturers are still having to contend with rapid price increases which is hampering their ability to secure new business both at home and abroad."

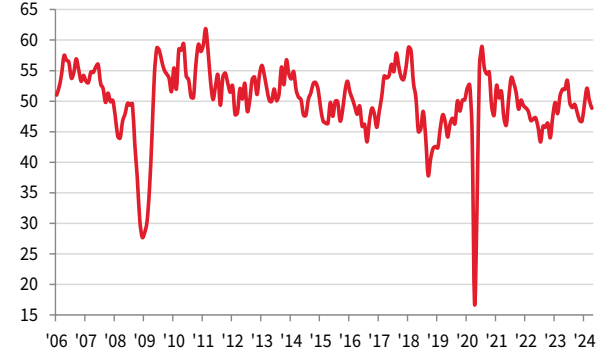
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Output Index

Q. Please compare your production/output this month with the situation one month ago.

April data signalled a slowdown in manufacturing output in the Turkish manufacturing sector, thereby ending a two-month sequence of expansion. Respondents indicated a softening of demand during the month, leading to the modest easing of production. Exactly 19% of respondents saw a moderation of output, while 17% posted an expansion.

sa, 50 = no change on previous month

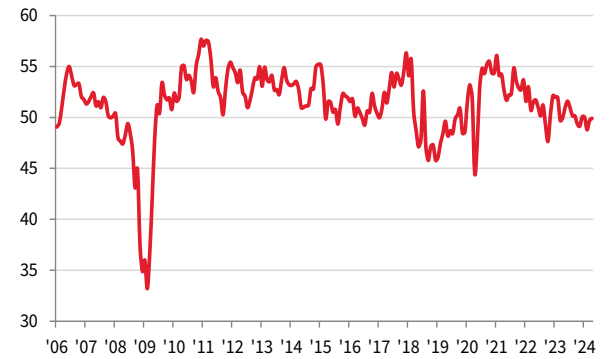


Employment Index

Q. Please compare the level of employment at your unit this month with the situation one month ago.

Manufacturers kept their staffing levels broadly unchanged during April, following a scaling back of employment in each of the two preceding months. While some respondents indicated that they needed to take on more workers, others reported difficulties finding suitably skilled staff.

sa, 50 = no change on previous month



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Istanbul Chamber of Industry

Driving strength from her members' contributions to Turkish economy and since her foundation in 1952, Istanbul Chamber of Industry (ICI) stands out as Türkiye's largest chamber of industry and one of the most powerful representatives of Turkish industry. The added value generated by ICI members represents more than 40% of the total added value propagated by Turkish industry. ICI members actualize approximately 35% of production of Turkish industry. 36% of Türkiye's Top 500 Industrial Enterprises consists of ICI members.

ICI promotes the sustainable development of Turkish industry and contributes the improvement of her competitiveness via offering innovative services to her members. For this purpose, she develops new projects and services to the use of industrialists in crucial fields such as; innovation, technology development, university-industry cooperation, vocational training, international relations, environment and energy with local and international partnerships.

Generating and conducting economic researches together with gathering data, ICI holds the widest knowledge on Istanbul industry whilst giving direction to Turkish industrialists and providing intense contribution for shaping economic and industrial policies.

About S&P Global:

S&P Global 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.

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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

Notes to Editors:

The Istanbul Chamber Of Industry Türkiye Manufacturing PMI® (Purchasing Managers' Index) is produced by S&P Global. The report features original survey data collected from a representative panel of around 400 companies based in the Turkish manufacturing sector. The panel is stratified by GDP and company workforce size, based on the industry contribution to GDP.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact economics@spglobal.com.

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

April data were collected 04-23 April 2024.

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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