

70.yil



İSTANBUL
SANAYİ ODASI

Manufacturing PMI® Developments in the World

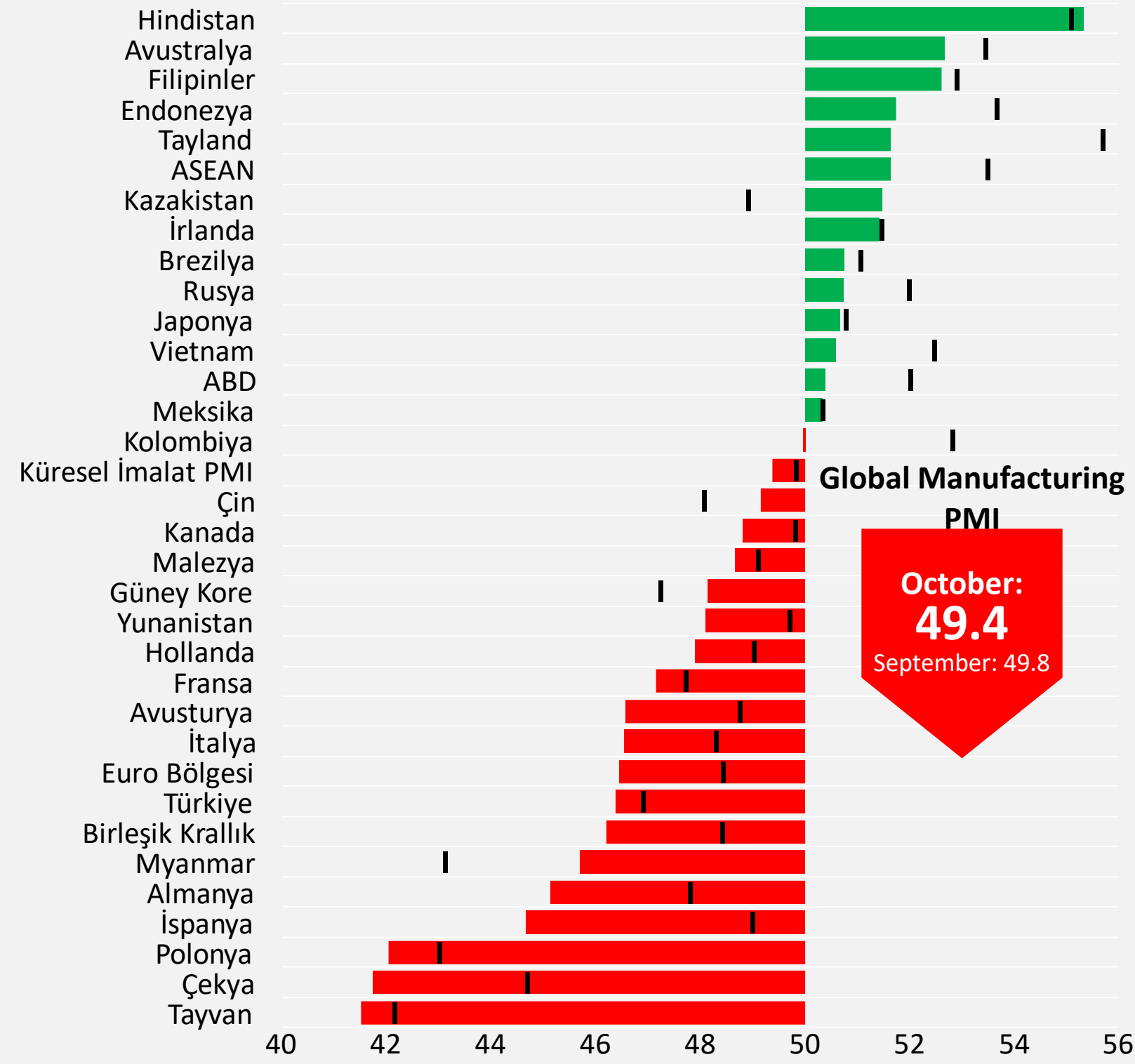
October 2022



General Outlook

İmalat PMI, Ekim 2022

(>50 = Geçen aya göre iyileşme)



Global Manufacturing industry contracts for a third successive month.

- The headline **Global Manufacturing Purchasing Managers' Index (PMI)** slipped from 49.8 in September to 49.4 in October; its lowest level for 28 months.
- This decline was the steepest recorded for approximately 11 years except the first months of the pandemic, especially amid the drop in demand for intermediate goods. It signalled a third successive monthly drop in worldwide factory production. Orders continued to drop, while the job creation increase slowed down.
- The easing of supply chain delays continued in October. Both input cost and output price inflation eased marginally compared to the previous month.
- Of the 31 economies for which Global PMI data are available, some 17 reported deteriorating activity conditions. And 14 economies further deteriorated compared to September.
- **The Istanbul Chamber of Industry Türkiye Manufacturing PMI** fell to 46.4 in October of 2022 from 46.9 in September. New orders and production both slowed, especially amid a lack of foreign demand. Meanwhile, suppliers' performance improved amid a drop in demand for inputs. Inflationary pressures in the sector are still high, though eased down compared to the previous month.

Source: S&P Global.

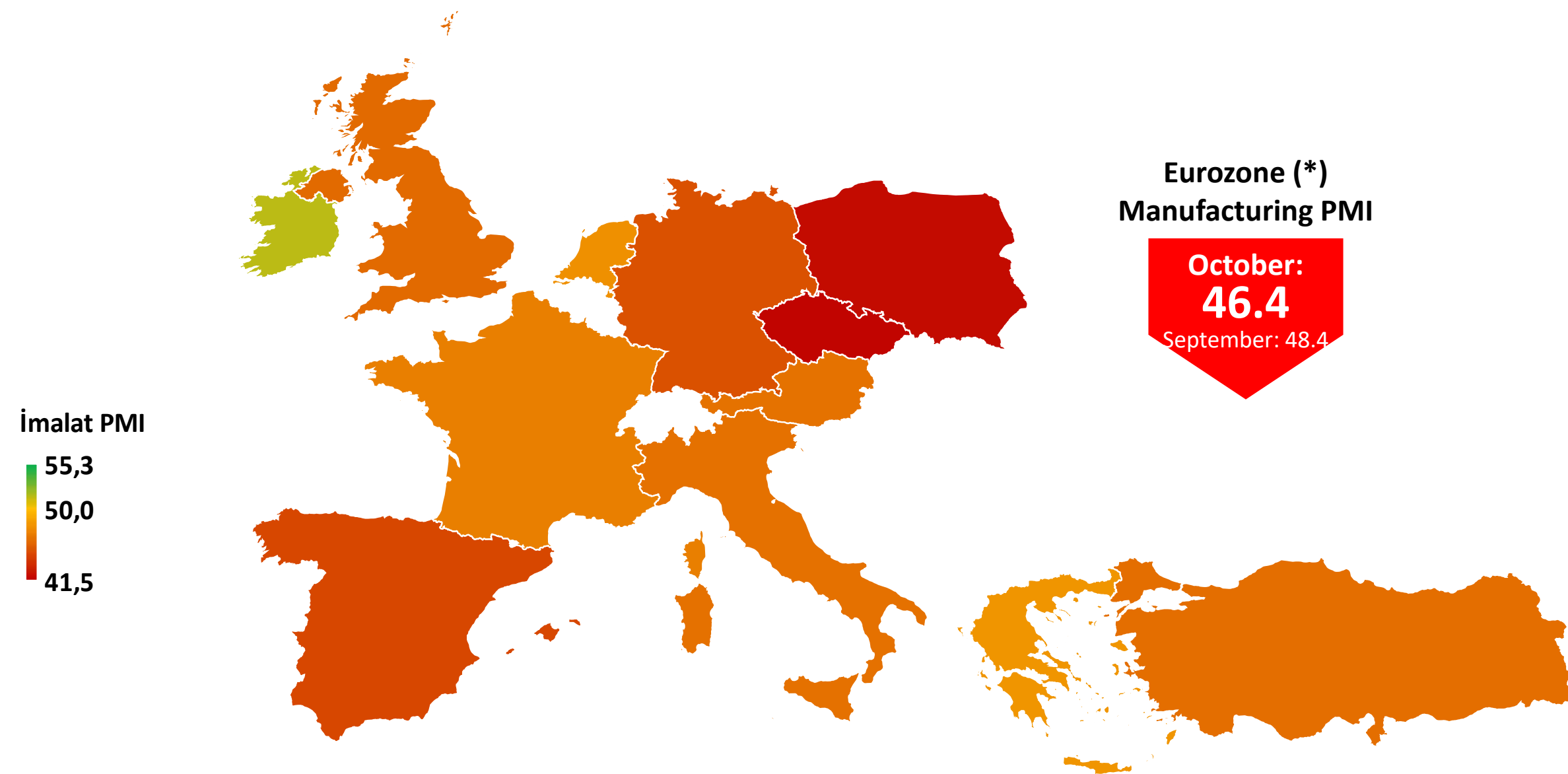
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

PMI data confirms recession expectation in most of the Europe

- The Eurozone Manufacturing PMI was revised slightly down to 46.4 in October from a preliminary of 46.6. The biggest contraction was seen in output and new orders, except the first waves of the pandemic. Despite the shortening in lead times, the inflationary pressures subsided remained high.
- All Eurozone countries for which PMI data are available, except for Ireland, reported deteriorating activity conditions. The headline PMIs of all economies, again except for Ireland, dropped to the lowest level of the last 22 to 29-month low.
- Weak demand, high inflation and supply pressures, as well as political and economical uncertainty continued to negatively affecting the sector. Activity conditions further deteriorated in Czech Republic and Poland amid war in Ukrain and high uncertainty.



Manufacturing PMI	September 2022	October 2022
Ireland	51.5	51.4
Greece	49.7	48.1
Holland	49.0	47.9
France	47.7	47.2
Austria	48.8	46.6
Italy	48.3	46.5
Turkey	46.9	46.4
United Kingdom	48.4	46.2
Germany	47.8	45.1
Spain	49.0	44.7
Poland	43.0	42.0
Czech Republic	44.7	41.7

(*) The countries included in the Euro Zone PMI index: Germany, Austria, France, Italy, Ireland, Spain, the Netherlands and Greece.

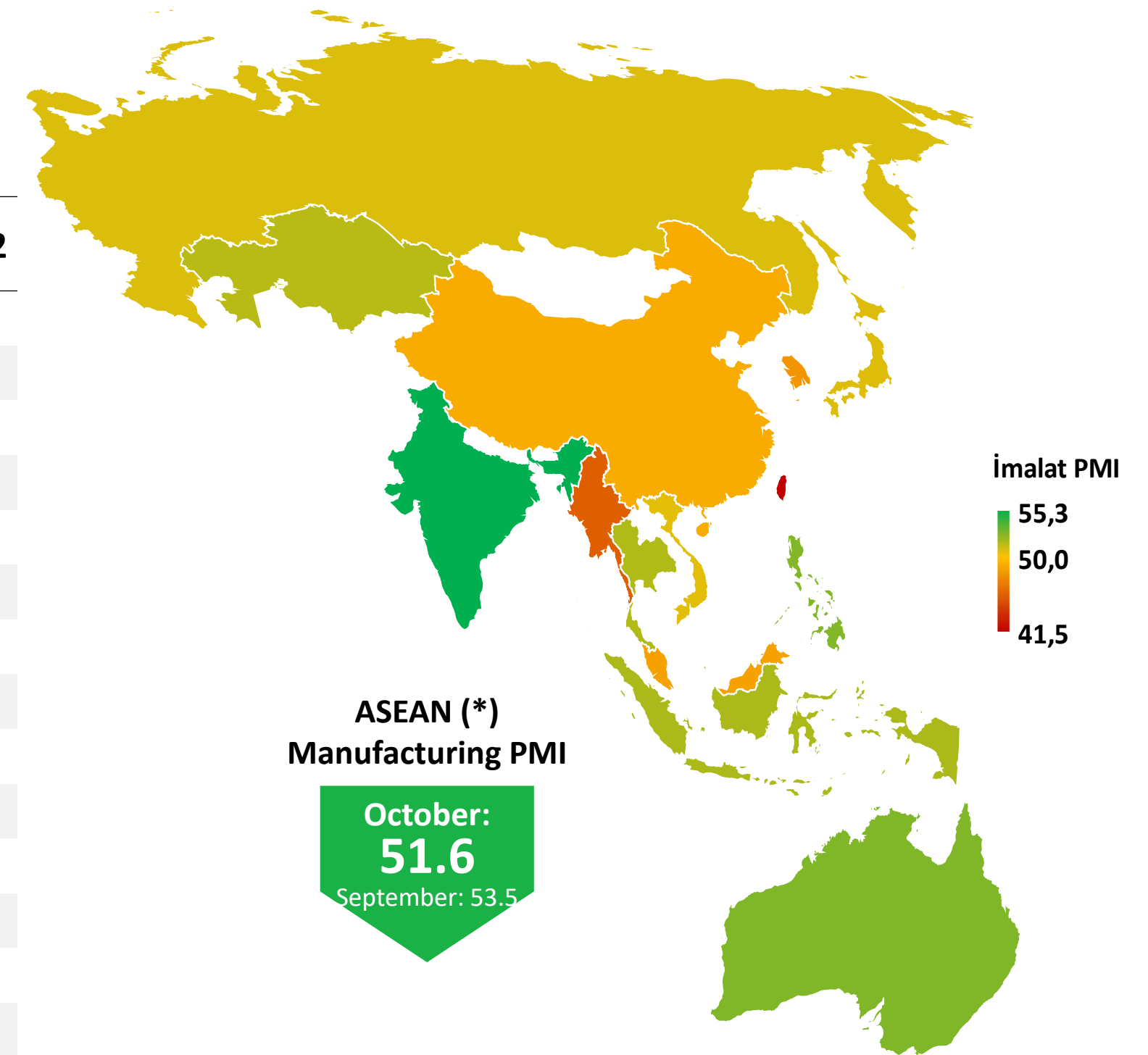


Asia-Pacific

Deteriorating demand conditions affect negatively the leading industrial centers of the region.

- The Asia-Pacific region saw a significant separation in manufacturing industry performance entering the last quarter.
- In China, even though the negative impacts of Covid 19 pandemic to the sector continued, the contraction was eased down compared to September.
- South Korea, Taiwan and Malaysia continued to be affected from foreign demand conditions.
- Japan's Manufacturing PMI remained above 50, but the output and orders dropped for the fourth consecutive month. This was mainly due to the weak demand in China and South Korea.
- In Russia, new order and output slowed down in October after the positive overview in September. The job creation also dropped in Russia. There was a sharp increase in input costs.
- In India, where the strongest PMI was posted, growth accelerated in October compared to September.
- In other economies, including Australia, Philippines, Indonesia, Thailand, Vietnam, the growth trend continue, though with slight deceleration.
- Kazakhstan was the only country who saw contraction September, but growth in October among the countries for

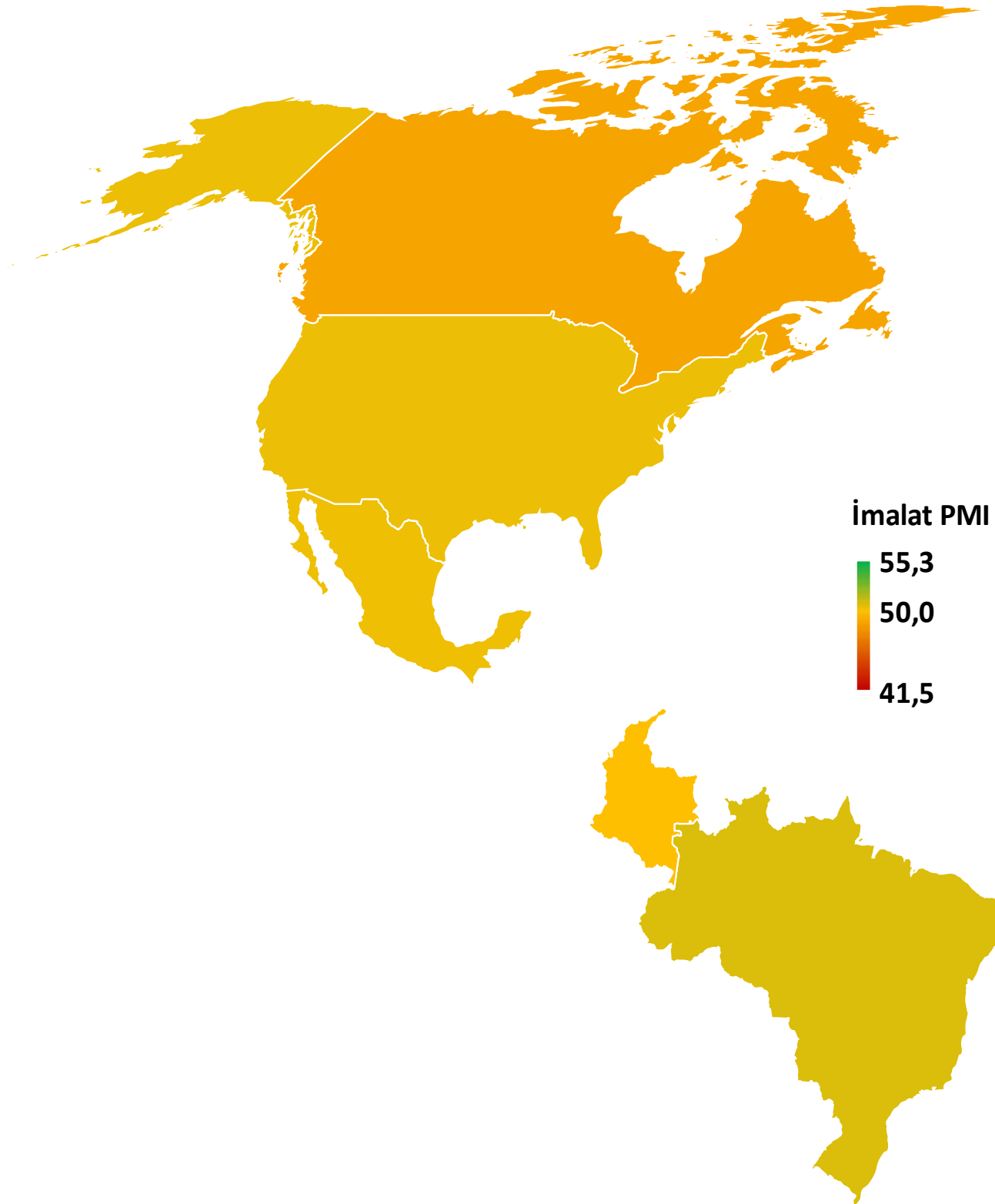
Manufacturing PMI	September 2022	October 2022
India	55.1	55.3
Australia	53.5	52.7
Philippines	52.9	52.6
Indonesia	53.7	51.8
Thailand	55.7	51.6
Kazakhstan	48.9	51.5
Russia	52.0	50.7
Japan	50.8	50.7
Vietnam	52.5	50.6
China	48.1	49.2
Malaysia	49.1	48.7
South Korea	47.3	48.2
Myanmar	43.1	45.7
Taiwan	42.2	41.5



(*) The countries included in the ASEAN PMI index: Indonesia, Philippines, Malaysia, Myanmar, Singapore, Thailand, Vietnam.

America

New orders of five Americas countries where PMI data are calculated dropped in October



Manufacturing PMI	September 2022	October 2022
Brazil	51.1	50.8
USA	52.0	50.4
Mexico	50.3	50.3
Colombia	52.8	50.0
Canada	49.8	48.8

- The USA PMI dropped from 52 in September to 50.4 in October, signalling the lowest growth of the last 28 months. Even though new orders dropped, the eased supply chain problems reinforced the increase in output.
- Decline in output and new orders accelerated in Canada, while job creation dropped for third consecutive months. The loss of value in Canadian Dollar caused increases in final product prices in October.
- Dropped goods prices, as well as fuel and energy tax deductions had positive affects on Brazil's output. This is why the drop observed in new orders is expected to be temporary.
- The Manufacturing PMI of Mexico remained slightly above the threshold value 50, but saw decline in demand and output. However, the supply chain problems and the global price volatility increased the input inflation.
- In Columbia, the other Latin American country where the Manufacturing PMI data is available, the output and sales contracted for the first time in the last three months amid the poor demand and economic uncertainty.



Methodology

What is PMI, how to interpret it?

- Purchasing Managers Index (PMI) is a pioneer indicator produced by S&P Global and used for measuring the activity conditions of the respective economy/industry.
- Any figure greater than 50.0 indicates overall improvement, while the figures below 50.0 indicate deterioration.

How is the manufacturing PMI calculated?

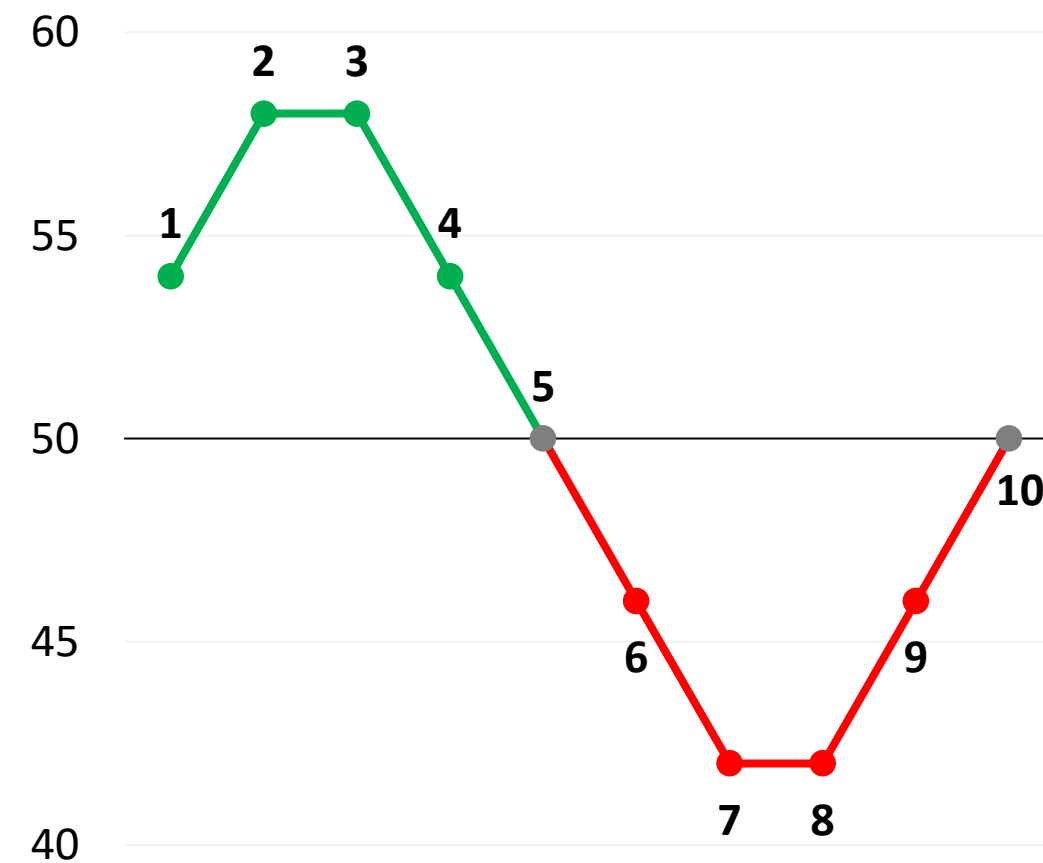
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

Why is PMI critical?

- Calculated by a set of methods in more than 40 countries^(*), PMI provides a fast, reliable, and comparable data set for the current activity conditions of the industries and economies.
- They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers.

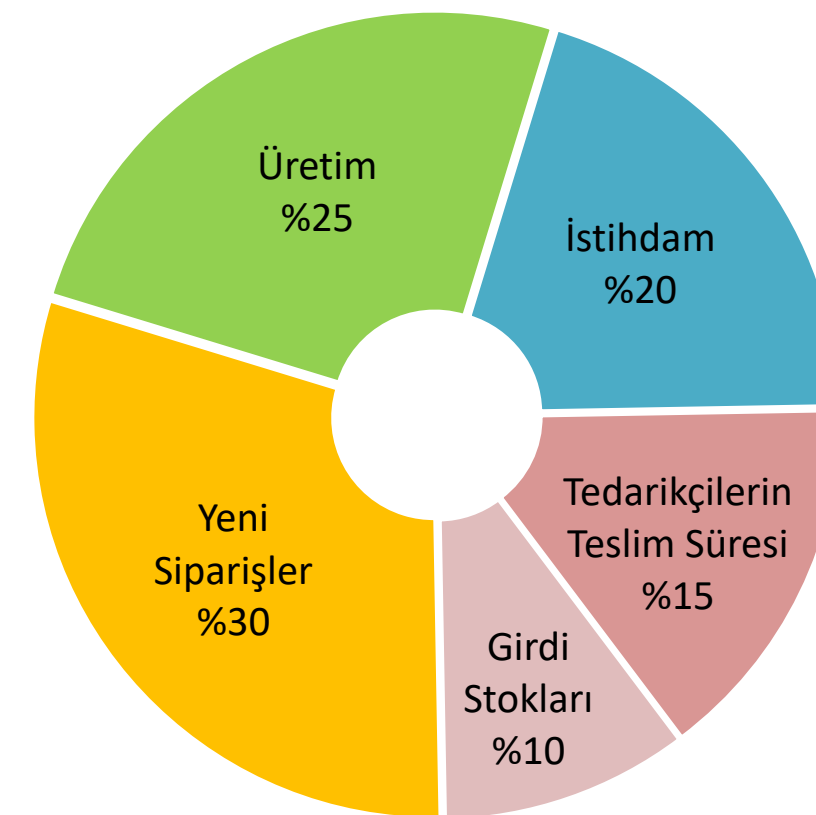
Index Interpretation

50= no change on previous month



1 Grew
2 Grew at a higher rate
3 Grew at the same rate
4 Grew at a lower rate
5 No change after a growth in the previous month
6 Growth dropped after the previous month with no change
7 Dropped at a higher rate
8 Dropped at the same rate
9 Dropped at a lower rate
10 No change after a drop in the previous month

Manufacturing PMI Individual Index Weights



(*) S&P Global produces PMI indexes for the manufacturing industry in a total of 31 countries, including Turkey. PMI indexes in other countries are composite indexes that also cover non-manufacturing sectors. Therefore, for a smooth comparison by country, the scope of the presentation was limited to 31 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.

70.yil



İSTANBUL
SANAYİ ODASI

Economic Research and Corporate Finance Branch

Phone: (212) 252 29 00

Fax: (212) 249 50 84

E-mail: arastirma@iso.org.tr

Meşrutiyet Cad. No. 63 Odakule

34430 Beyoğlu/İstanbul

www.iso.org.tr



This presentation is prepared to inform the ICI members, using the information obtained from S&P Global.
All intellectual property rights related to the data used belong to S&P Global.