



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

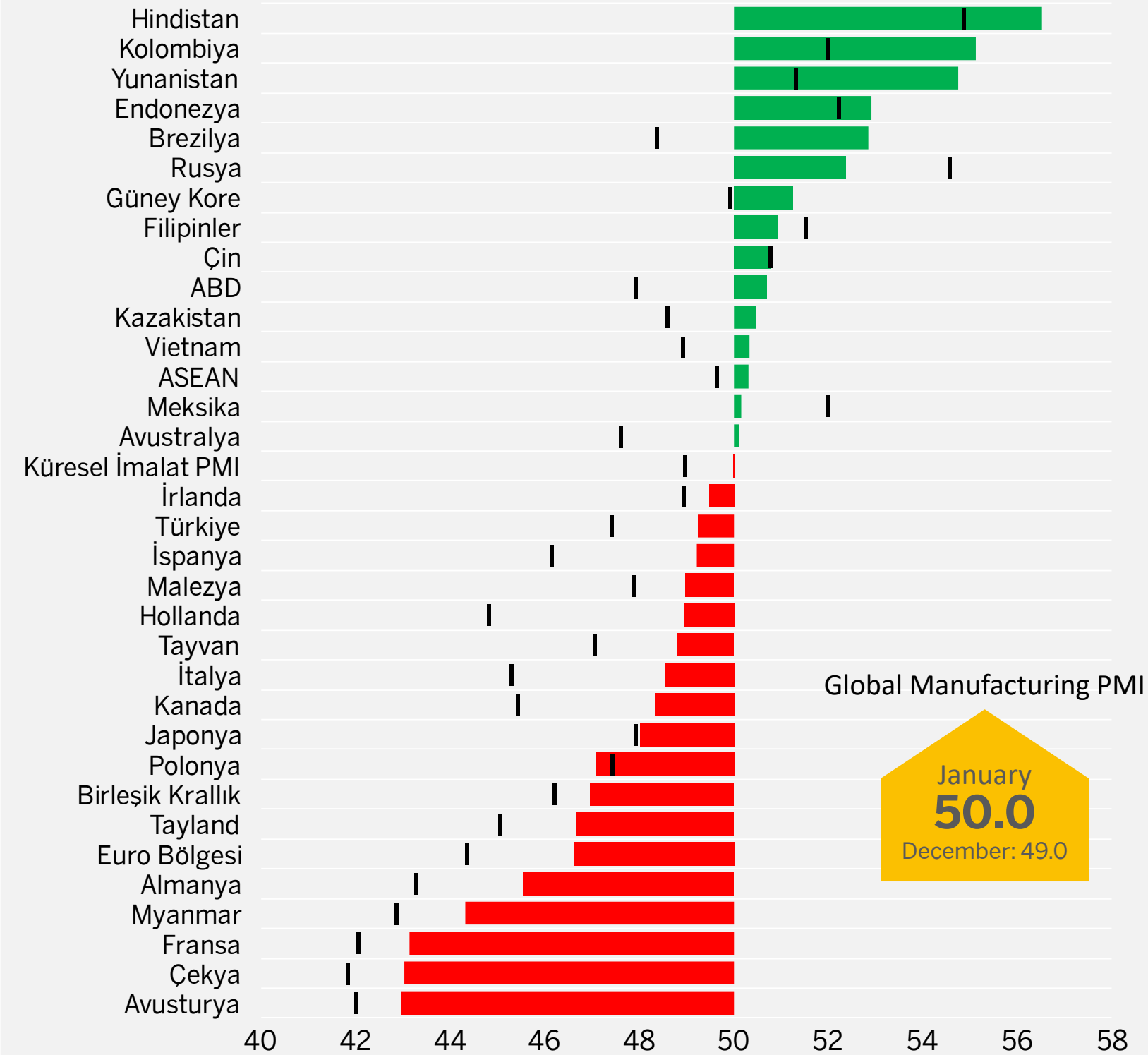
January 2024





General Outlook

İmalat PMI, Ocak 2024 (>50 = Geçen aya göre iyileşme)



The global manufacturing sector started the new year with signs of relative recovery.

- The Global Manufacturing Purchasing Managers Index® (PMI) showed signs of stabilisation at the start of 2024. The index posted 50.0 in January, after dropping 0.3 points in December, a level consistent with nochange in operating conditions over the month.
- Of the 31 nations for which Global PMI data are available, 17 posted below the 50 nochange mark in January, signalling a contraction in the industry. But that number was 20 in December. Another positive note was that 27 nations saw an increase on monthly basis.
- After contracting for 7 successive months, production volumes edged higher for the first time since May 2023 as new order intakes fell at the slowest rate in the current 19-month downturn in demand. Rates of contraction in employment eased to a four-month low since October.
- Average input price inflation accelerated to a three-month high in January. Part of the increase in costs was reflected in the form of higher selling prices. Supply chain pressures built at the start of 2024, in several cases due to disruptions caused by the Red Sea crisis.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI posted 49.2 in January, up from 48.4 in December. The headline PMI posted the highest reading in four months and rate of moderation in staffing levels was eased. Contraction in new orders continued but was relatively better than the results of exports. A large increase in the minimum wage led to a spike in the rate of input cost inflation in January, with output prices rising at a faster pace in response.

Source: S&P Global PMI.

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.



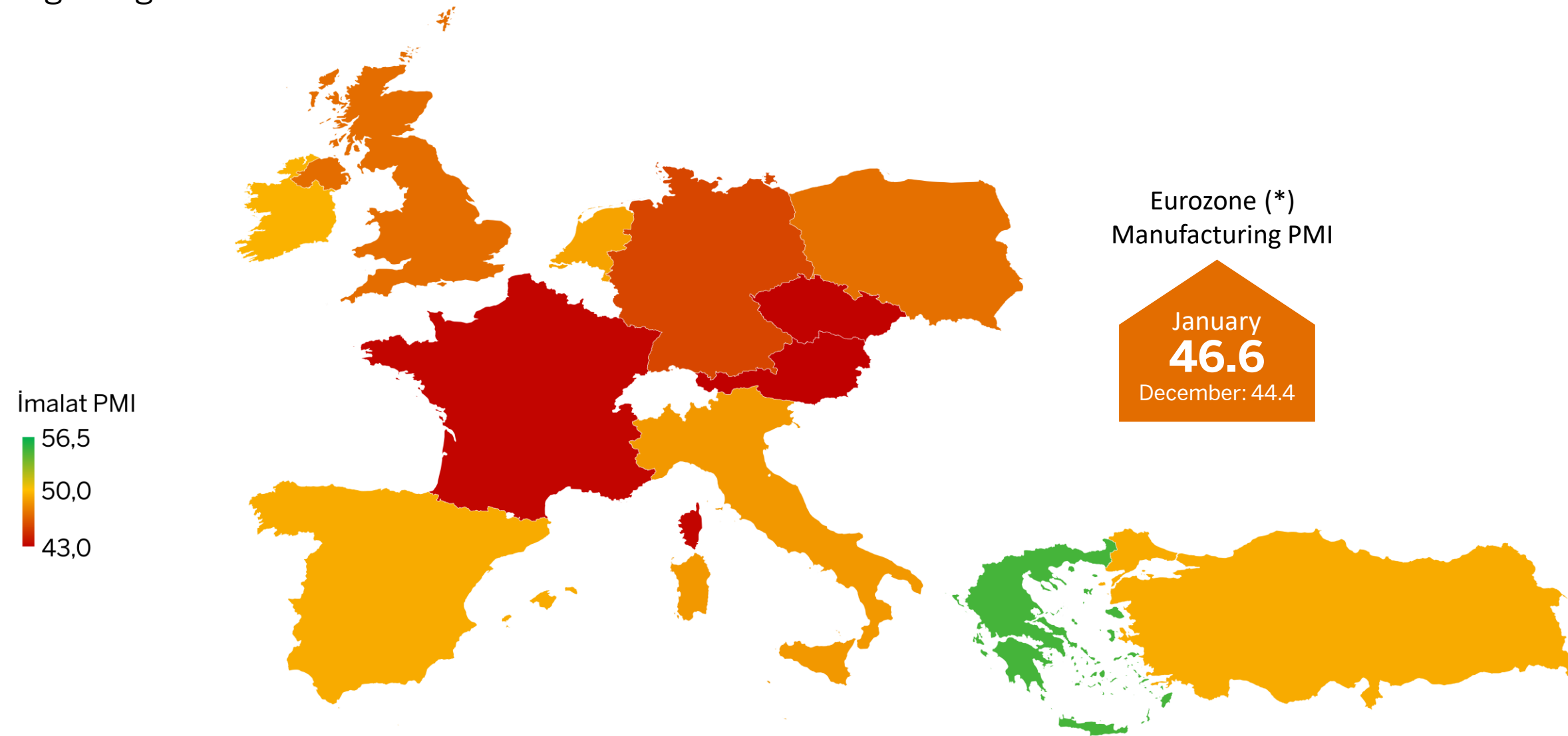
Europe

The contraction in the Eurozone manufacturing sector eased.

- Eurozone Manufacturing PMI remained in the significant contraction zone at 46.6 in January, but up from 44.4 in December, the highest level in the last 10 months. Declines in output and new orders decelerated. Despite the increasing supply chain pressures caused by the Red Sea crisis, inflationary pressures continued to give signs of a decrease.

- The index remained below 50 in all countries (*) included in the Eurozone Manufacturing PMI, except Greece. Nevertheless, the monthly increase in the index throughout the region was recorded as a positive signal. Except for Austria, France and Germany.

- Although the PMI in the United Kingdom increased by 0.8 points, the contraction in output, orders and employment continued. Input prices increased due to supply chain problems.
- As for the EU countries outside the Eurozone, the weak business conditions continued in the manufacturing sectors of Poland and the Czech



Manufacturing PMI	December 2023	January 2024
Greece	51.3	54.7
Ireland	48.9	49.5
Türkiye	47.4	49.2
Spain	46.2	49.2
The Netherlands	44.8	48.9
Italy	45.3	48.5
Poland	47.4	47.1
United Kingdom	46.2	47.0
Germany	43.3	45.5
France	42.1	43.1
Czech Republic	41.8	43.0
Austria	42.0	43.0

Source: S&P Global PMI.

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



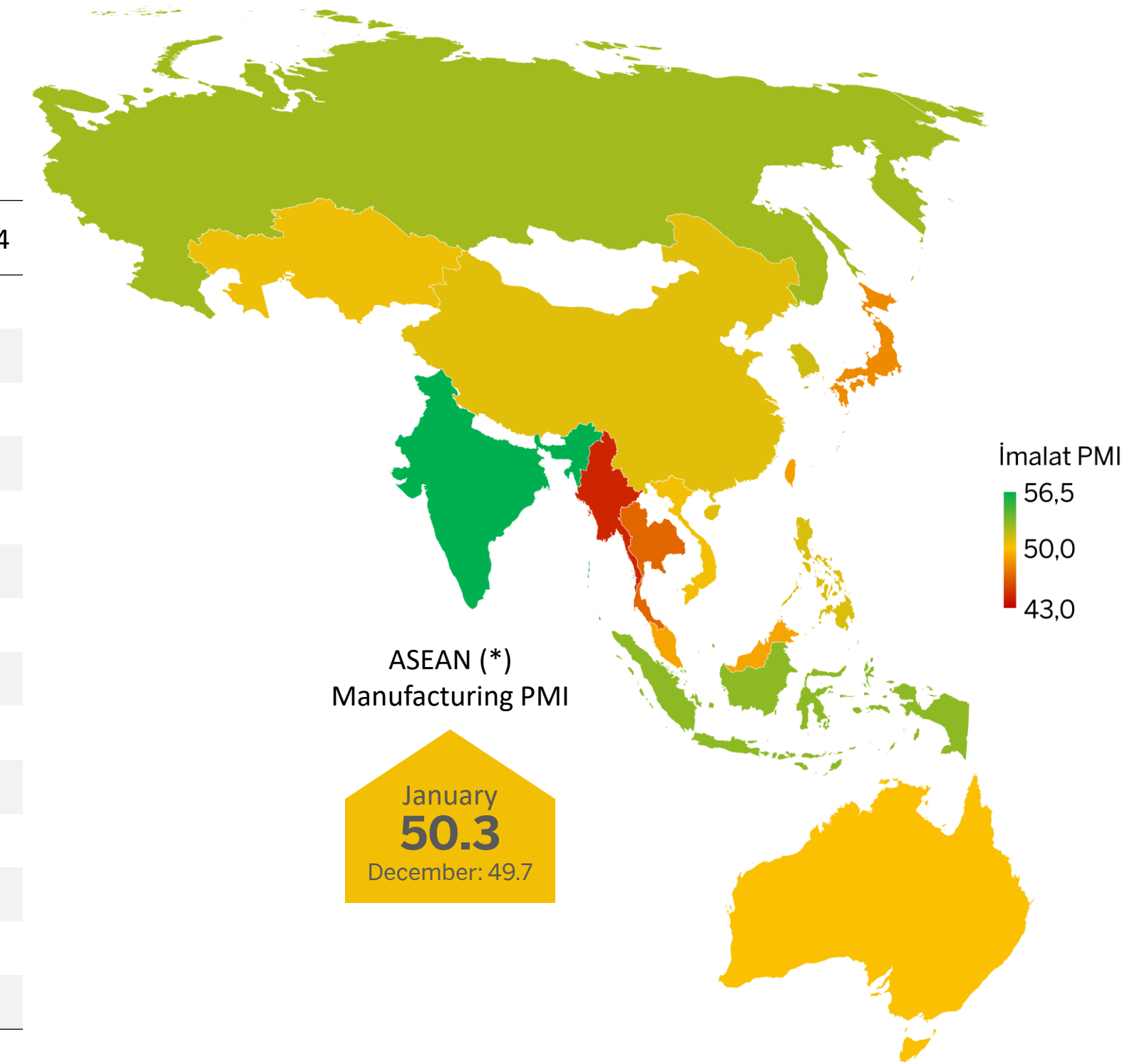
Asia-Pacific

Varied results but optimistic start to 2024

- Much of the Asia-Pacific region started 2024 with growth. Although demand and output improved in most countries, significant divergence remained. Supply and price pressures strengthened in some countries.
- China's Manufacturing PMI posted above 50.0 for the 5th time in the 6 months. Orders lost some momentum, but output continued to rise.
- Decline in output and demand continued in Japan, and sub-indices signaled an increase in lead times and costs.
- In South Korea, demand and output showed a moderate recovery, expectations also improved. Inflationary pressures became stronger.
- The Indian manufacturing sector started 2024 with accelerated growth. The increase in demand supported output, while inflation remained relatively limited.
- The rate of contraction of the sector in Taiwan slowed down. However, supply delays increased due to disruptions caused by the Red Sea crisis.
- In Russia, although order and output increases lost momentum, the manufacturing sector maintained its growth trend.
- PMI, after contracting for a while in Australia, indicated a horizontal course in January. However, supply chain pressures in the sector became evident.
- ASEAN region Manufacturing PMI posted above 50 for the first time in the last 5 months. Despite the decrease in orders, output increased, but the prices had the fastest increase in the last 10 months. Indonesia had a significant better outlook than the region, while Myanmar and Thailand remained weak.

Manufacturing PMI	December 2023	January 2024
India	54.9	56.5
Indonesia	52.2	52.9
Russia	54.6	52.4
South Korea	49.9	51.2
Philippines	51.5	50.9
China	50.8	50.8
Kazakhstan	48.6	50.5
Vietnam	48.9	50.3
Australia	47.6	50.1
Malaysia	47.9	49.0
Taiwan	47.1	48.8
Japan	47.9	48.0
Thailand	45.1	46.7
Myanmar	42.9	44.3

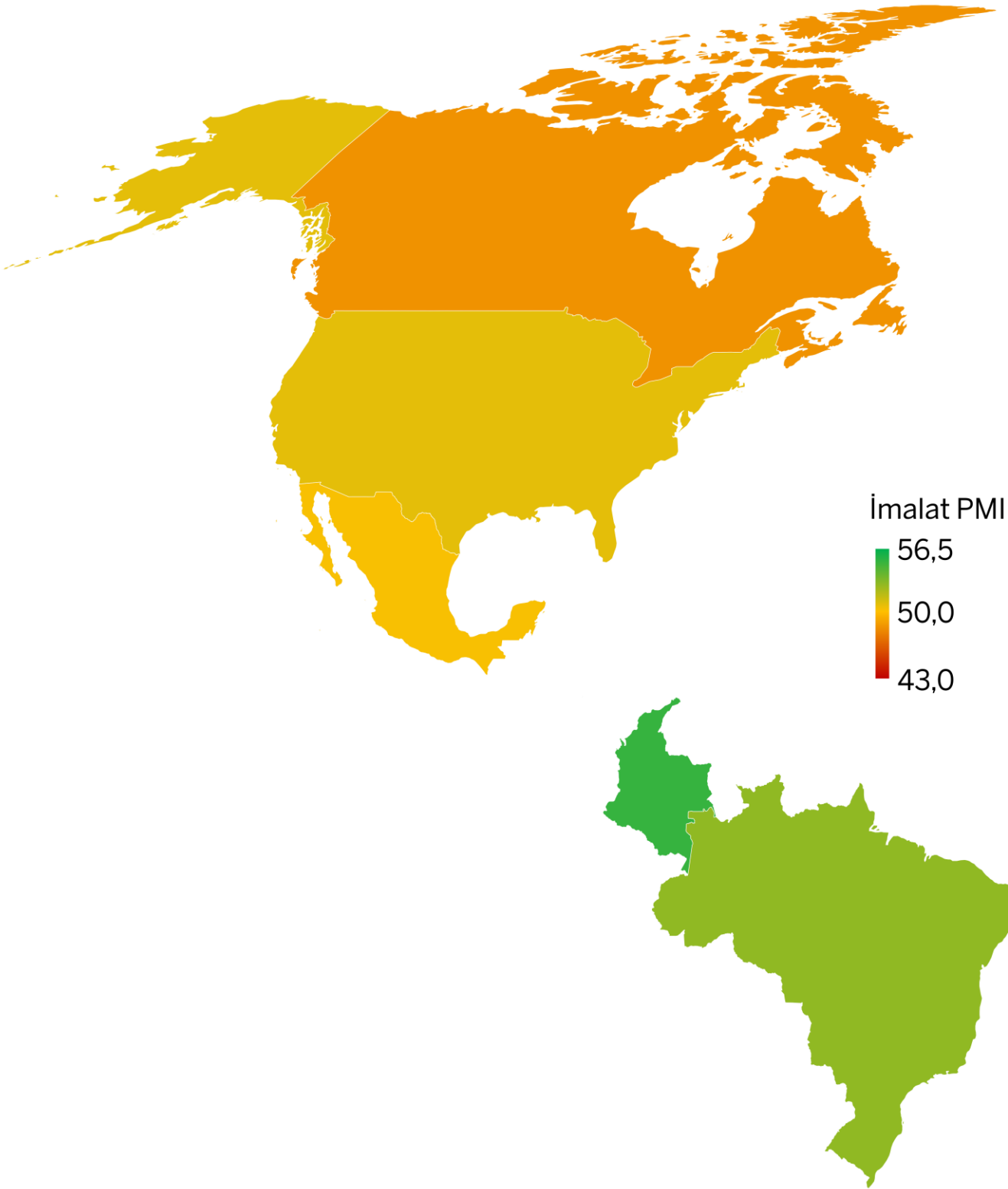
Source: S&P Global PMI.



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



America



Manufacturing PMI	December 2023	January 2024
Columbia	52.0	55.1
Brazil	48.4	52.8
USA	47.9	50.7
Mexico	52.0	50.2
Canada	45.4	48.3

Source: S&P Global PMI.

Strong recovery in the US and Brazil... Mexico lost momentum

- The US manufacturing sector had a positive start to 2024. There was a recovery in new orders and staffing levels and the decline in output slowed down. However, increasing supply chain disruptions limited output and led to a 9-month peak in cost inflation.
- In Canada, PMI remained in the contraction zone again. However, the drop in output and new orders eased, leading to an increase in the headline index. Inflation continued to decline, while growth expectations of the sector improved.
- Brazilian Manufacturing PMI rose to 52.8 in January, after a contraction with 48.4 in December, the strongest level of the last 1.5 years. Despite the weakness in exports, the increase in total demand supported output.
- In Mexico, PMI decreased by 1.8 points on a monthly basis to 50.2. Output and new orders decreased, and cost pressures increased. The index remaining slightly above the threshold value of 50 was due to disruptions in supply chains.
- In Colombia, Manufacturing PMI posted above 55 at the beginning of the new year and rose to a 19-month peak. The data showed that the recovery in the manufacturing sector accelerated due to the effect of strengthening demand.



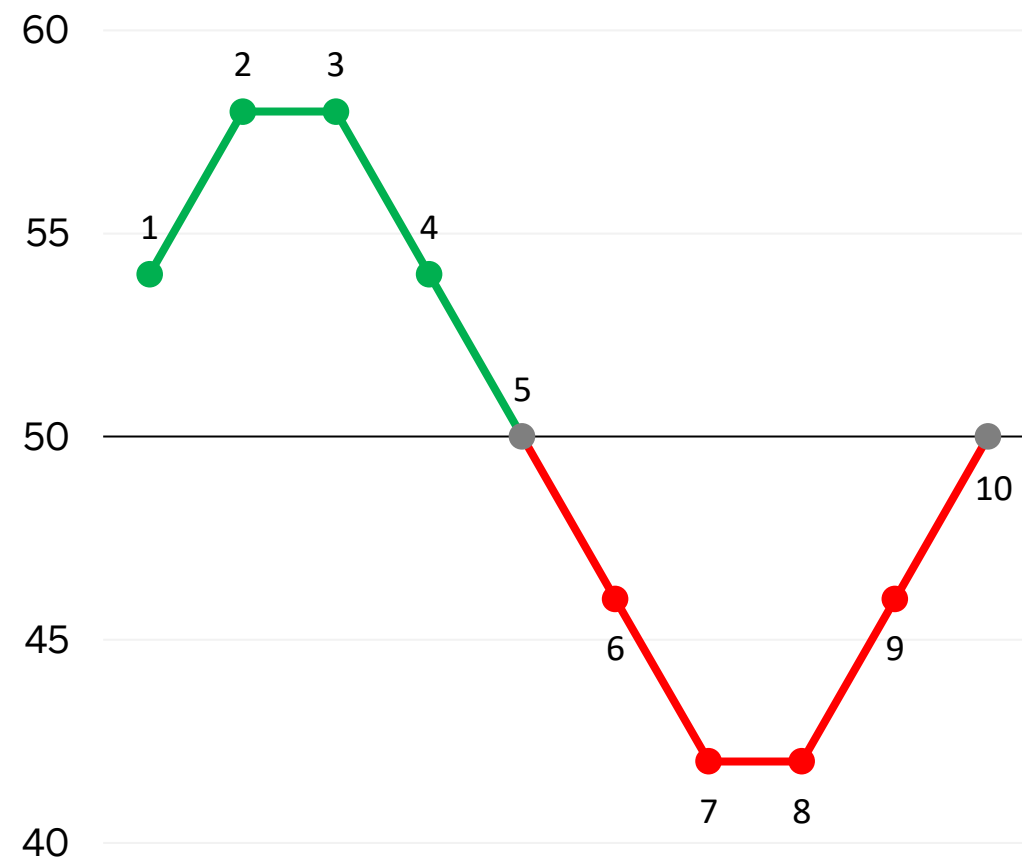
Methodology

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.

Index Interpretation

50= no change on previous month



How is the manufacturing PMI calculated?

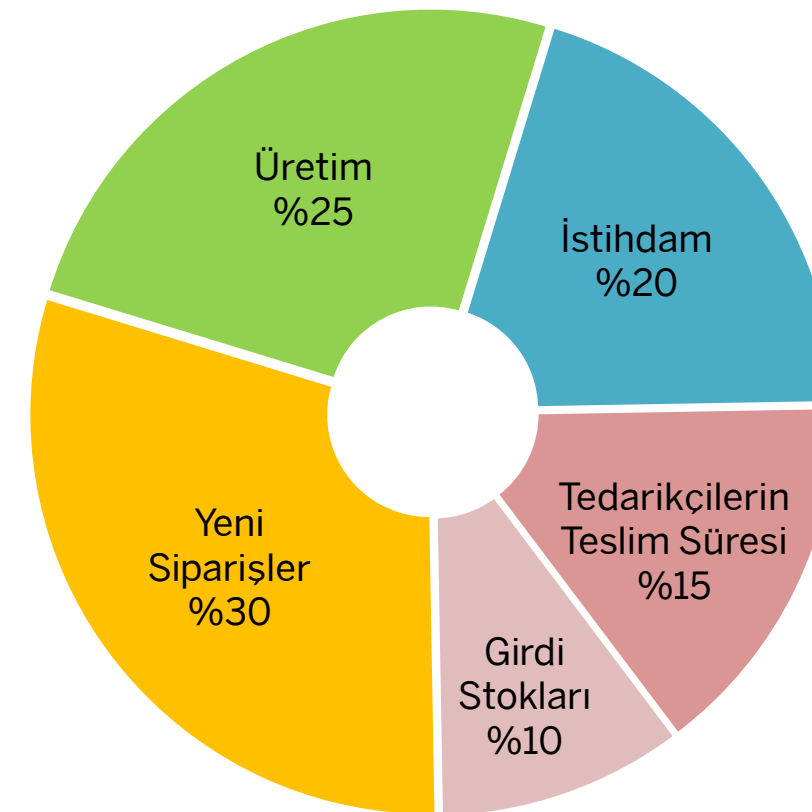
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

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.

^(*) 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 some 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.

Manufacturing PMI Individual Index Weights





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



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