



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

March 2024

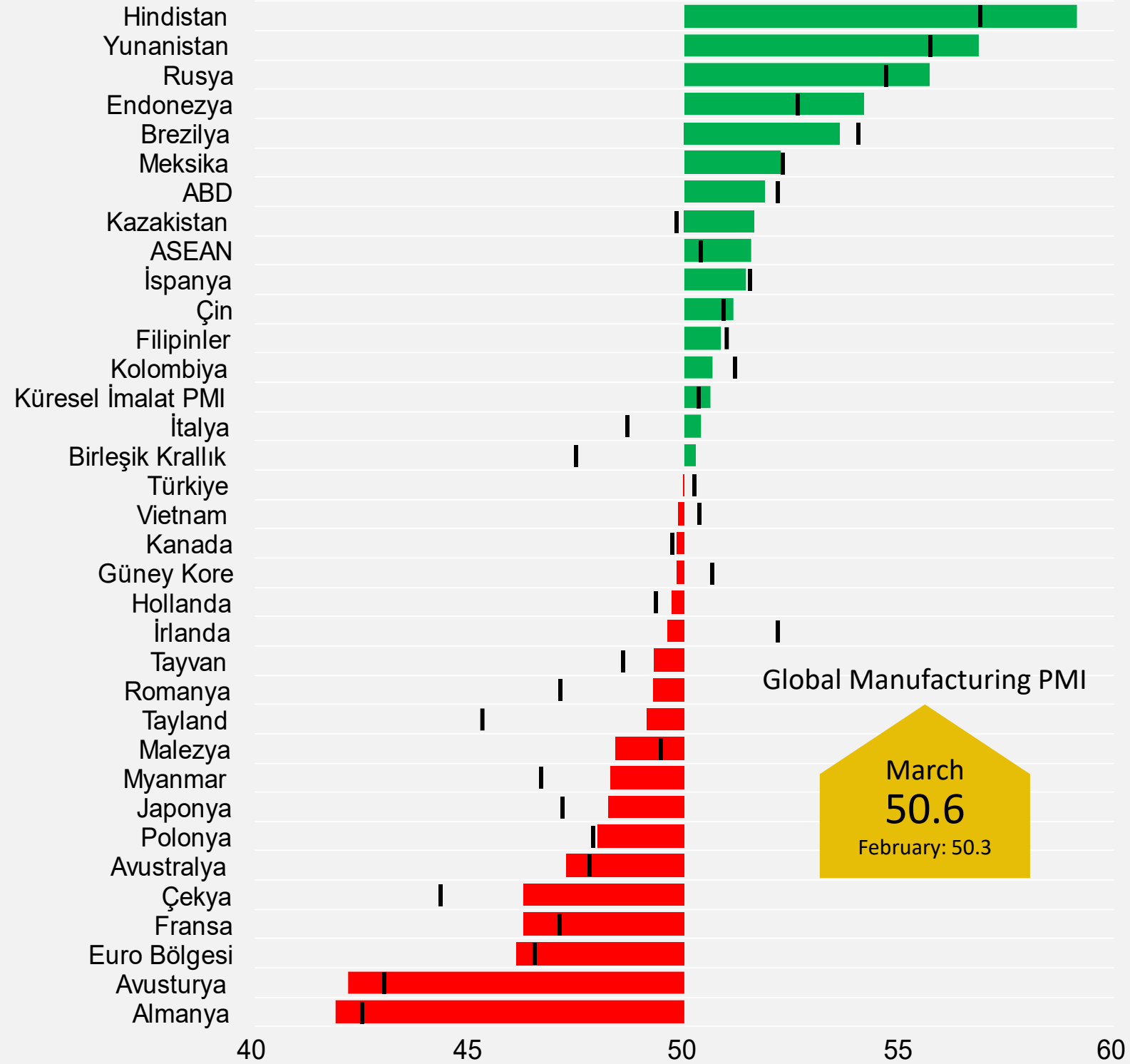




General Outlook

İmalat PMI, Mart 2024

(>50 = Geçen aya göre iyileşme)



Global manufacturing industry output recovered in the first quarter.

- The Global Manufacturing Purchasing Managers Index® (PMI) rose to 50.6 in March from 50.3 in February, signaling moderate growth in the sector for the second consecutive month. This is the highest reading since July 2022. The PMI, which was on average 49.0 in the last quarter of 2023, increased to 50.3 in the first quarter of 2024.
- Manufacturing PMI index was posted above the 50.0 no-change mark in 14 out of the 32 nations for which data were available, That number was 15 in February. On the other hand, monthly increase in the Manufacturing PMI value in 17 countries is positive in general.
- Global output grew during the first quarter. The increase in March was at the highest pace in 21 months. The strongest increase in new orders has been recorded since May 2022, while the downward trend in export orders appears to be coming to an end.
- Thus, the fastest increase in employment was seen since August 2023. Suppliers' lead times have been shortening in the last two months, while price increases have signaled a slight slowdown.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI decreased by 0.2 points to 50.0 in March, indicating that business conditions in the manufacturing sector have not changed. While there was a limited increase in output, the deterioration in new orders and employment almost came to a halt. Input buying increased for the second month running. Inflation on the other hand, although slowing down, remained at high levels.

Source: S&P Global PMI.

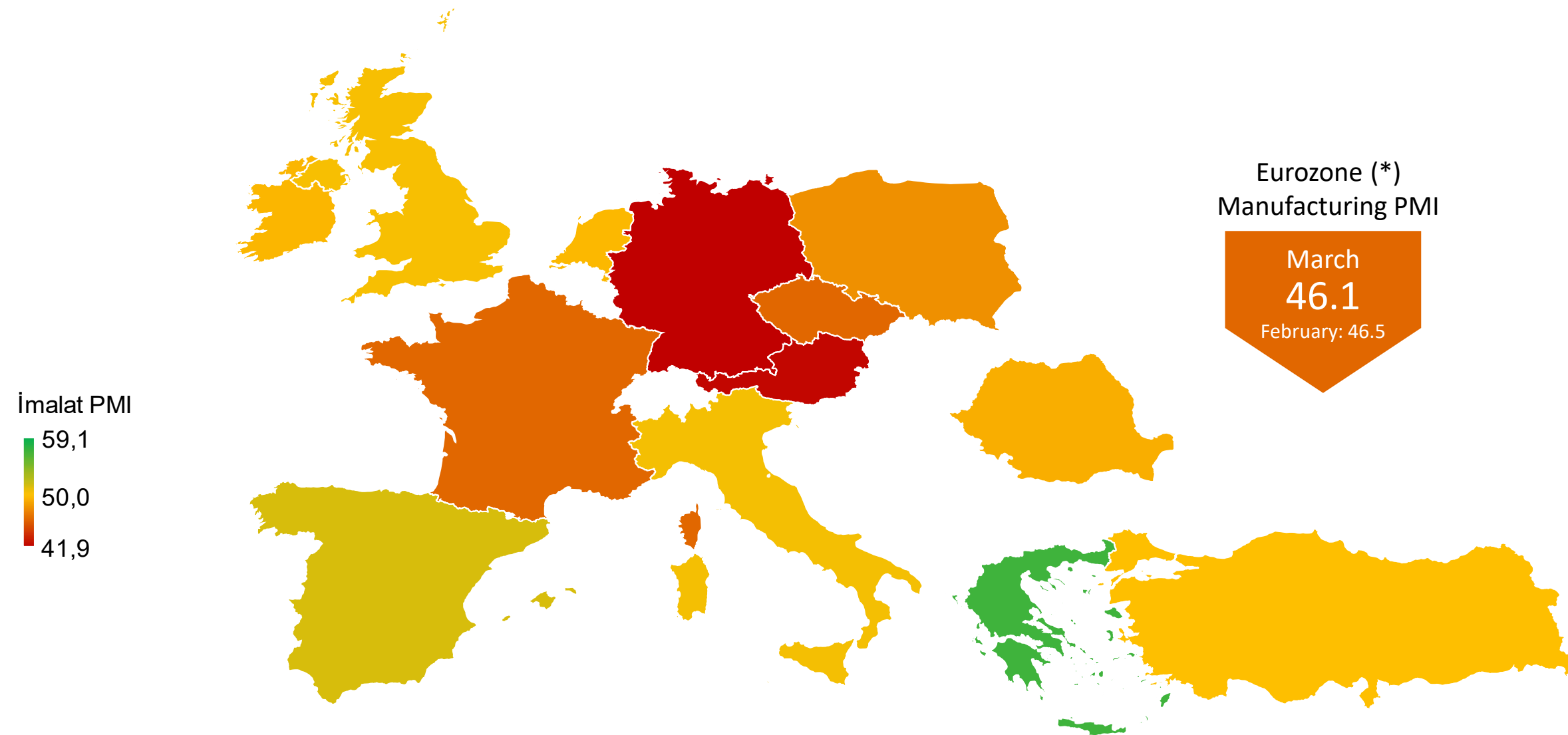
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

Weakness in the Eurozone, mostly in Germany and France, continued.

- Eurozone Manufacturing PMI decreased by 0.4 points to 46.1 in March, indicating that the contraction continued. The decline in output and new orders continued, albeit at a slower pace. On the other hand, supply problems due to the crisis in the Red Sea appeared to have eased. Price indices signaled a decline in inflation.
- The manufacturing sector was in the expansion zone in only 3 of the 8 Eurozone countries for which PMI data are available. Greece remained by far the strongest performing country. The centers of weakness in the region were Germany, Austria and France, while Italy started to grow for the first time in the last year.
- The manufacturing industry in the United Kingdom started to grow, albeit slightly, in March after 19 months of contraction. Expectations in the sector for the coming months have also improved.
- Manufacturing industry business conditions continued to deteriorate in the Czech Republic, Poland and Romania. However, in all three, the deterioration slowed compared



Manufacturing PMI	February 2024	March 2024
Greece	55.7	56.9
Spain	51.5	51.4
Italy	48.7	50.4
United Kingdom	47.5	50.3
Türkiye	50.2	50.0
The Netherlands	49.3	49.7
Ireland	52.2	49.6
Romania	47.1	49.3
Poland	47.9	48.0
Czech Republic	44.3	46.2
France	47.1	46.2
Austria	43.0	42.2
Germany	42.5	41.9

Source: S&P Global PMI.

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



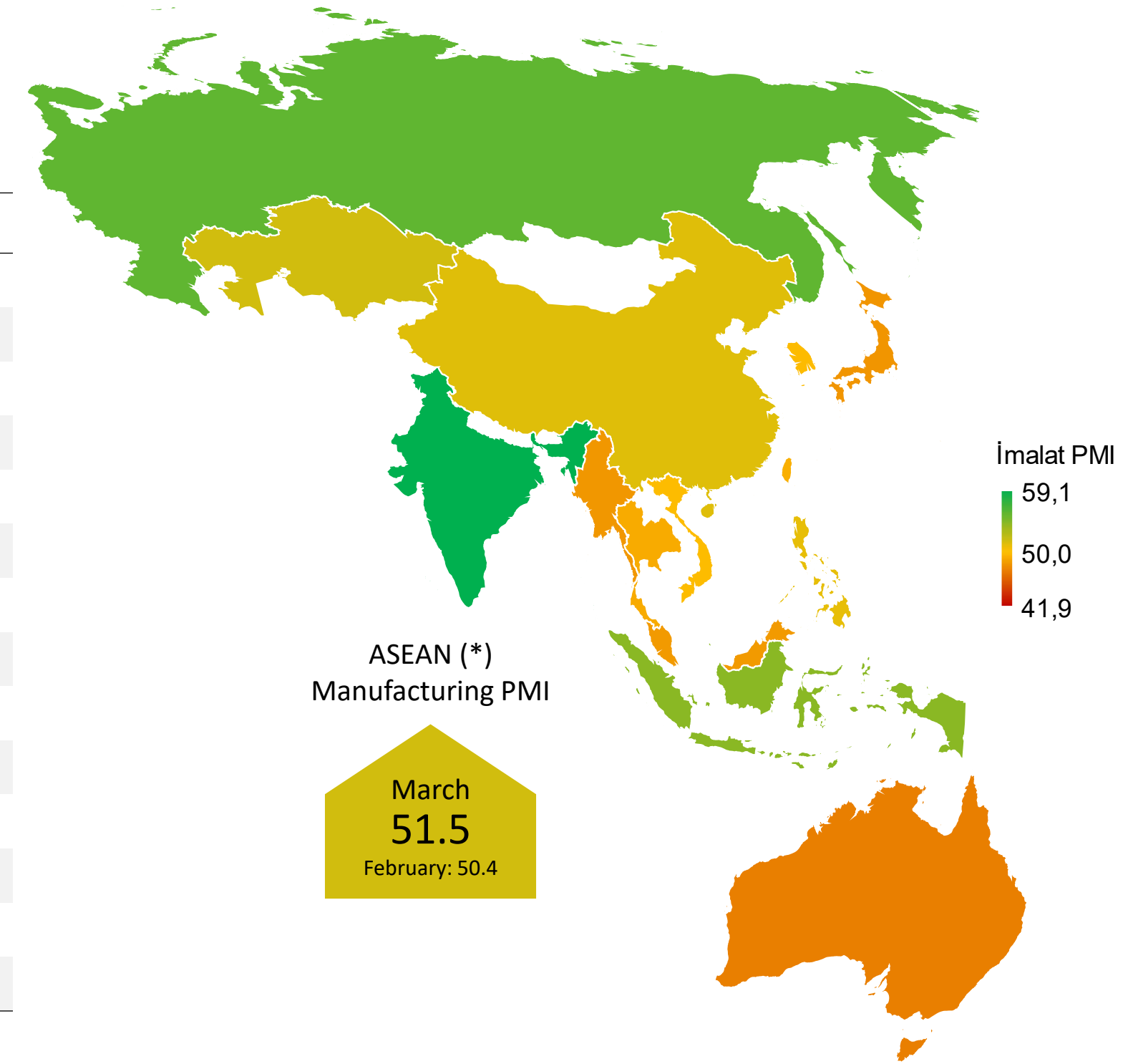
Asia-Pacific

Russia and India stood out with their strengthening growth performance.

- Asia-Pacific economies continued to present a complex picture in terms of manufacturing industry performance in March.
- With the improvement in both domestic and external demand conditions in China, the PMI rose to a 13-month peak at 51.1.
- Despite the ongoing contraction in Japan, the decline in output slowed down in March, and there was an increase in employment.
- In India, output and new orders increased at the fastest pace since October 2020, while Manufacturing PMI broke the record of the last 16 years.
- In South Korea, business conditions have deteriorated due to slow domestic demand, supply chain problems and rising costs.
- Taiwan's manufacturing sector is one step closer to recovery as the contraction in demand and output decelerates.
- In Russia, where new orders broke a 16-year increase record, Manufacturing PMI reached the highest level since August 2006.
- The sector contracted for the second month in a row as demand in Australia fell at the highest rate since May 2020.
- The growth in orders in the ASEAN region and the acceleration of output growth pushed the PMI index to the peak of 11 months. In particular, Indonesia differentiated positively within the region, while Thailand, Malaysia and Myanmar performed poorly.

Manufacturing PMI	February 2024	March 2024
India	56.9	59.1
Russia	54.7	55.7
Indonesia	52.7	54.2
Kazakhstan	49.8	51.6
China	50.9	51.1
Philippines	51.0	50.9
Vietnam	50.4	49.9
South Korea	50.7	49.8
Taiwan	48.6	49.3
Thailand	45.3	49.1
Malaysia	49.5	48.4
Myanmar	46.7	48.3
Japan	47.2	48.2
Australia	47.8	47.3

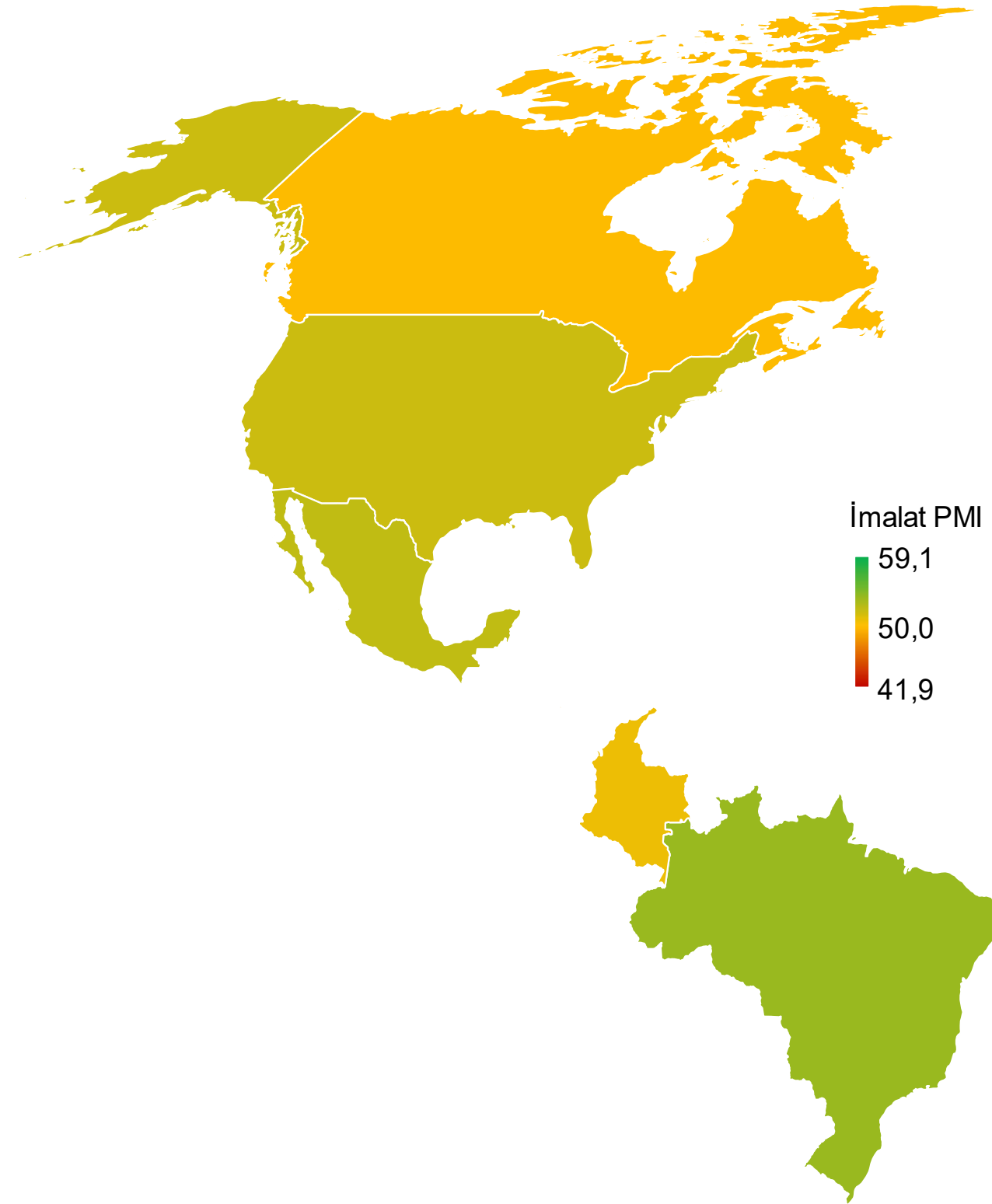
Source: S&P Global PMI.



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



America



Manufacturing PMI	February 2024	March 2024
Brazil	54.1	53.6
Mexico	52.3	52.2
USA	52.2	51.9
Columbia	51.2	50.6
Canada	49.7	49.8

Source: S&P Global PMI.

Despite the loss of momentum in new orders in the USA, output and employment growth accelerated.

- In March, the US Manufacturing PMI decreased by 0.3 points to 51.9. On the other hand, output and employment growth strengthened, and new orders increased, albeit at a slower pace. Output grew at the fastest pace in the last 22 months. Sales price inflation rose for the fourth consecutive month.
- The deterioration in business conditions in the Canadian manufacturing sector came close to a halt in March. While the decline in output and new orders eased considerably, the improvement in expectations had a positive impact on employment.
- In Brazil, output increased strongly despite the slight decline in the Manufacturing PMI index. Despite the problems in exports, total orders gained momentum and price increases remained relatively moderate.
- Similarly, in Mexico, the manufacturing sector continued to grow thanks to the strengthening total demand and output increase. However, the weakness in exports, especially to the USA, negatively affected expectations.
- Colombia, on the other hand, recorded the lowest increase in output since the beginning of the year, due to the effect of order flow slowing down for the first time in the last 4 months. On the other hand, the weakening in demand reduced inflationary pressures.



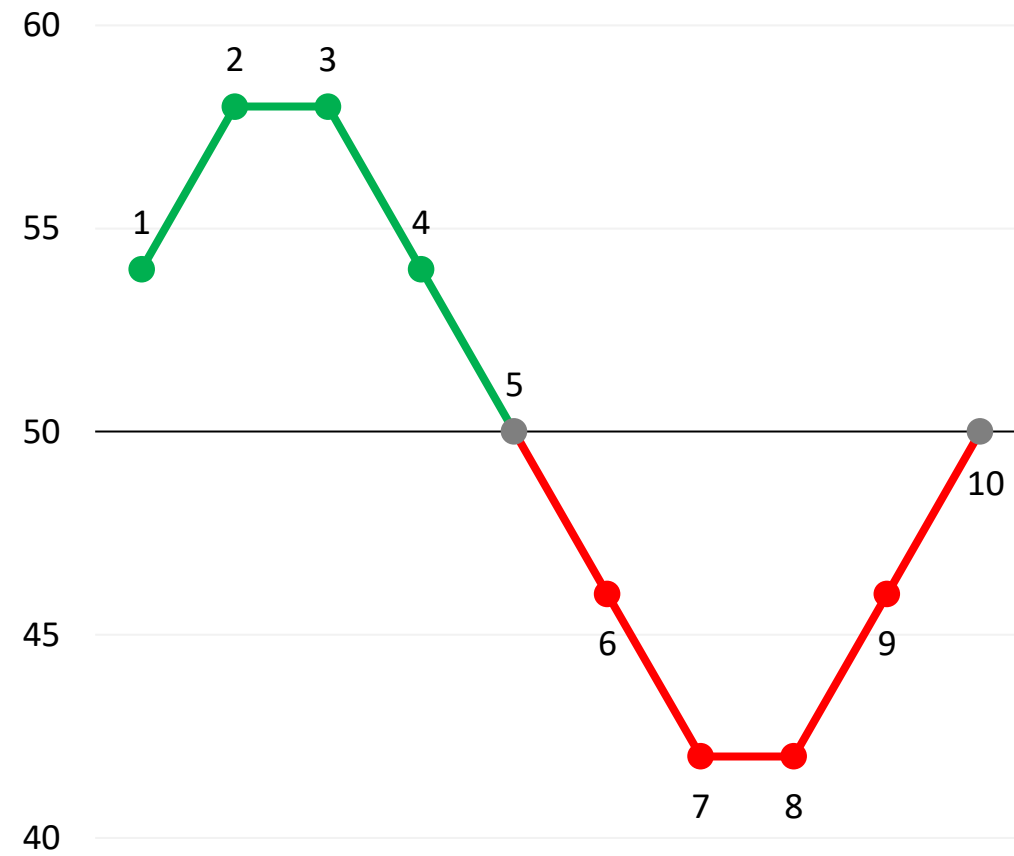
Methodology

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.

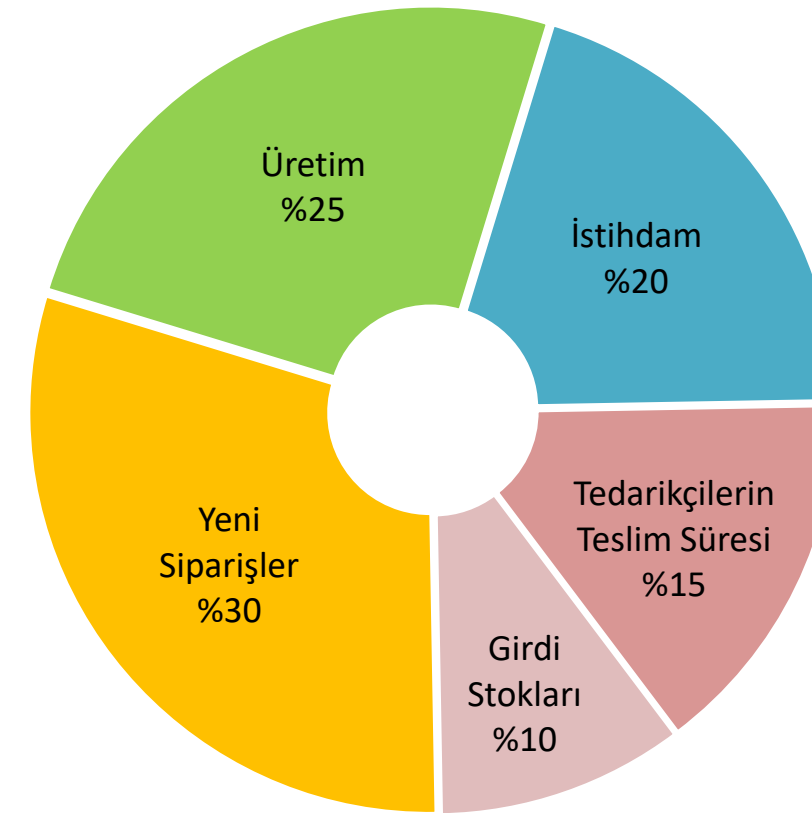
Why is PMI critical?

- 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 32 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 32 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.

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





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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