



İSTANBUL  
SANAYİ ODASI

# Developments in the Global Manufacturing PMI®

*May 2024*

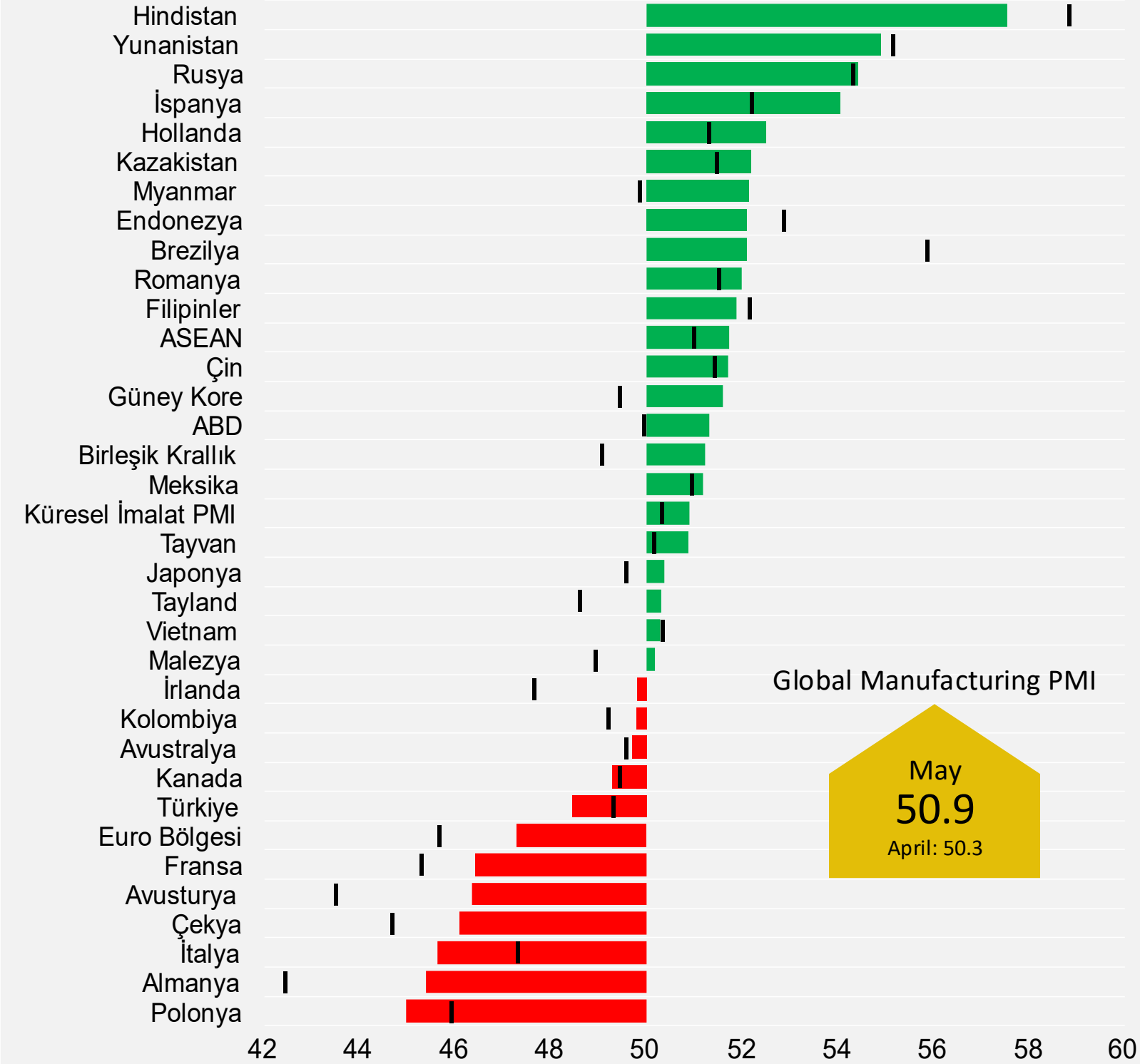




# General Outlook

## İmalat PMI, Mayıs 2024

(>50 = Geçen aya göre iyileşme)



## The strongest increase in global manufacturing industry output in approximately 2.5 years

- The Global Manufacturing Purchasing Managers Index® (PMI) rose 0.6 points monthly to 50.9 in May, remaining slightly above the 50.0 threshold for the fourth consecutive month. Although the index reached the peak of the last 22 months, it signaled that growth was moderate.
- The number of growth among the 32 national economies for which Manufacturing PMI was announced increased from 14 in April to 21 in May. It has been observed that growth has become more widespread, especially in the Asia-Pacific region.
- In May, global manufacturing industry output increased at the fastest pace since December 2021. New orders, which have been improving for the last four months, also experienced the strongest increase in the last 26 months. The contribution of foreign trade to the sector demand remained positive, though limited.
- Global manufacturing industry employment, after remaining flat in April, increased slightly in May as a result of the improvement in the general outlook. Inflationary pressures in the sector have become stronger compared to the previous month.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI decreased by 0.9 points to 48.4 in May, signalling a contraction in the industry for the second consecutive month. While the slowdown in output and orders continued, especially due to domestic demand, there was a decrease in employment, purchasing and inventories. The slowdown in the increase in both input and finished product prices was a positive development this month.

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.



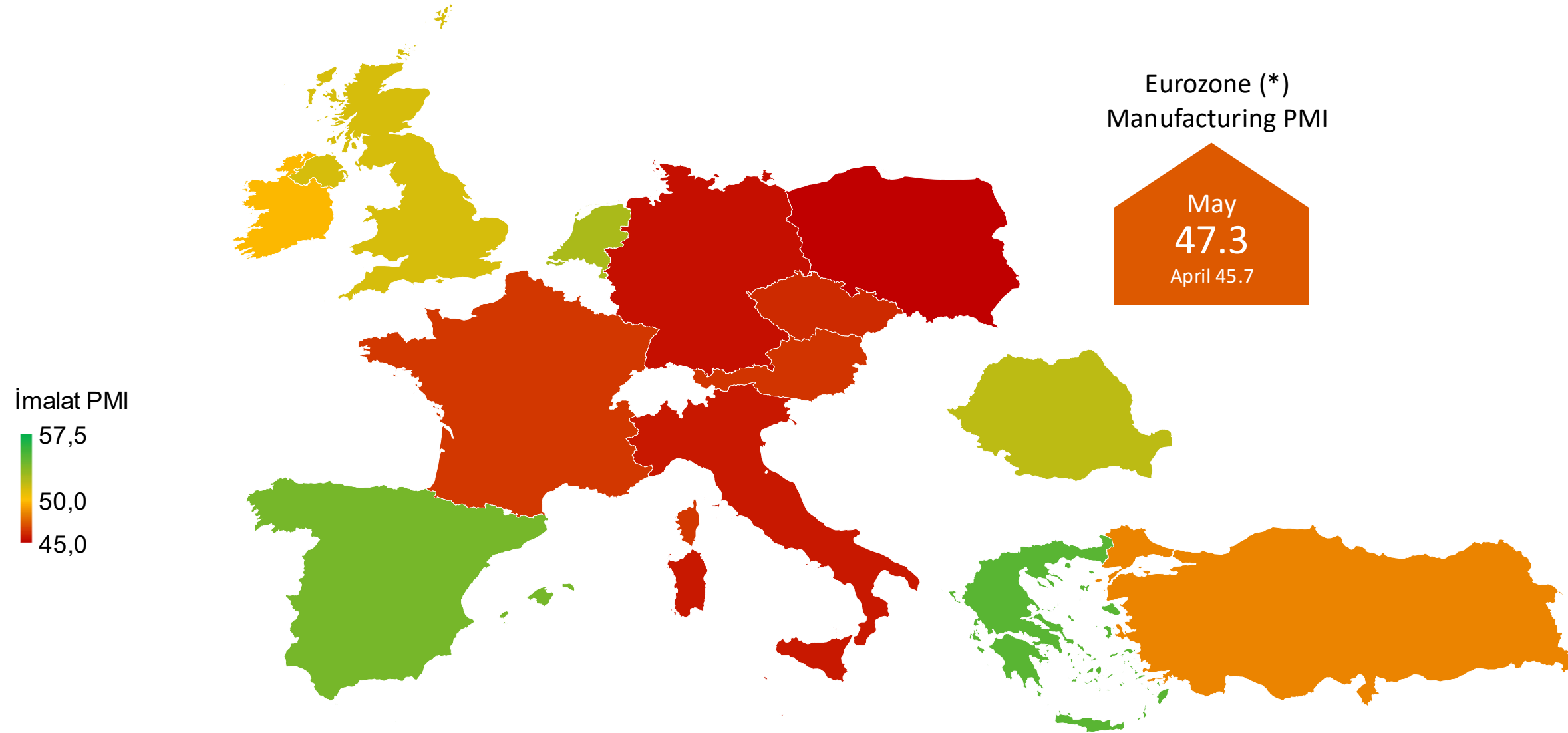
# Europe

## The contraction trend continued in the three largest economies of the Eurozone.

- Eurozone Manufacturing PMI increased to 47.3 in May from 45.6 in April, the highest value of the last 14 months, signalling an ease in the tendency for deterioration in the industry. While the contraction in output and new orders slowed down, the moderate decline in employment continued. Input and product prices continued to decline.

- Growth continued in May in three of the eight Eurozone countries (Greece, Spain, the Netherlands). Germany, France and Austria remained in the contraction zone despite the increases in index values. In Italy, shrinkage accelerated.

- The manufacturing industry in the United Kingdom started to grow again in May. With the effect of the improvement in new orders, output recorded the fastest increase in the last 25 months.
- In Eastern Europe, Romania's manufacturing sector grew for the second month in a row, while the weak outlook continued in Poland and the Czech Republic.



Manufacturing PMI	April 2024	May 2024
Greece	55.2	54.9
Spain	52.2	54.0
The Netherlands	51.3	52.5
Romania	51.5	52.0
United Kingdom	49.1	51.2
Ireland	47.6	49.8
Türkiye	49.3	48.4
France	45.3	46.4
Austria	43.5	46.3
Czech Republic	44.7	46.1
Italy	47.3	45.6
Germany	42.5	45.4
Poland	45.9	45.0

Source: S&P Global PMI.

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



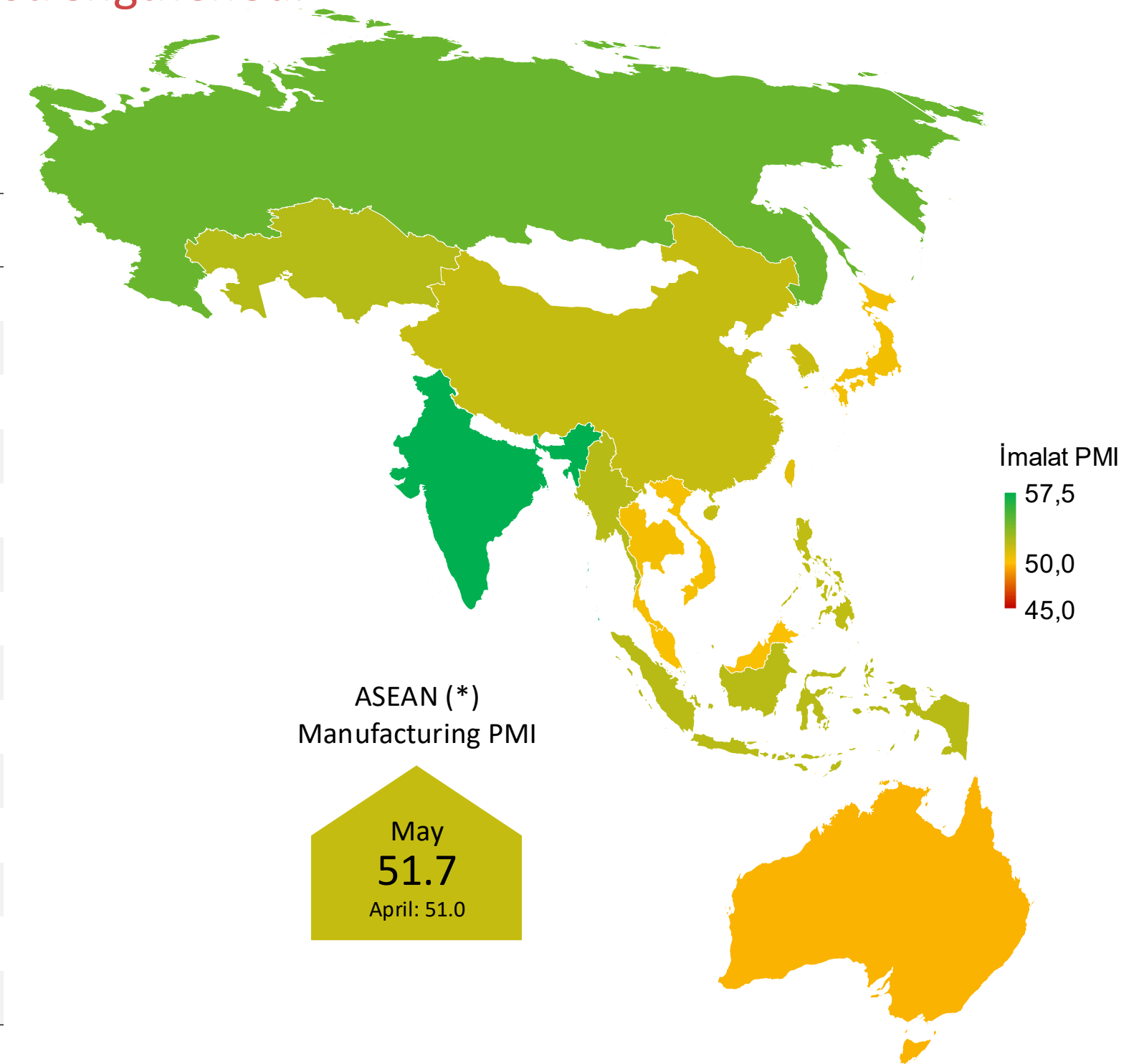
# Asia-Pacific

The growth trend spread throughout the region, while inflationary pressures strengthened.

- Business conditions in the Asia-Pacific region generally improved in May. The manufacturing industry went from contraction to growth in five countries.
- China, where the manufacturing industry continues its recovery trend, achieved the output increase record of the last 23 months in May. On the other hand, employment remained flat, and the increase in input prices accelerated.
- Output and new orders in Japan did not change on a monthly basis, while employment continued to increase. PMI exceeded the threshold value of 50 for the first time in the last year.
- Among the 32 economies for which manufacturing PMI data are available, the strongest growth was again measured in India. Despite a slight loss of momentum in output and new orders, the strong upward trend continued.
- With the recovery of domestic and foreign demand, South Korea recorded the strongest expansion in output in nearly 3 years.
- There was moderate improvement in Taiwan for the second month in a row. However, cost pressures have strengthened due to the increase in commodity prices.
- Output gained momentum in Russia, and there was a record monthly increase in employment in 26.5 years. Inflation showed signs of rising.
- Manufacturing PMI in Australia remained below 50 again, indicating a very slight contraction, as in April.

Manufacturing PMI	April 2024	May 2024
India	58.8	57.5
Russia	54.3	54.4
Kazakhstan	51.5	52.2
Myanmar	49.9	52.1
Indonesia	52.9	52.1
Philippines	52.2	51.9
China	51.4	51.7
South Korea	49.4	51.6
Taiwan	50.2	50.9
Japan	49.6	50.4
Thailand	48.6	50.3
Vietnam	50.3	50.3
Malaysia	49.0	50.2
Australia	49.6	49.7

Source: S&P Global PMI.

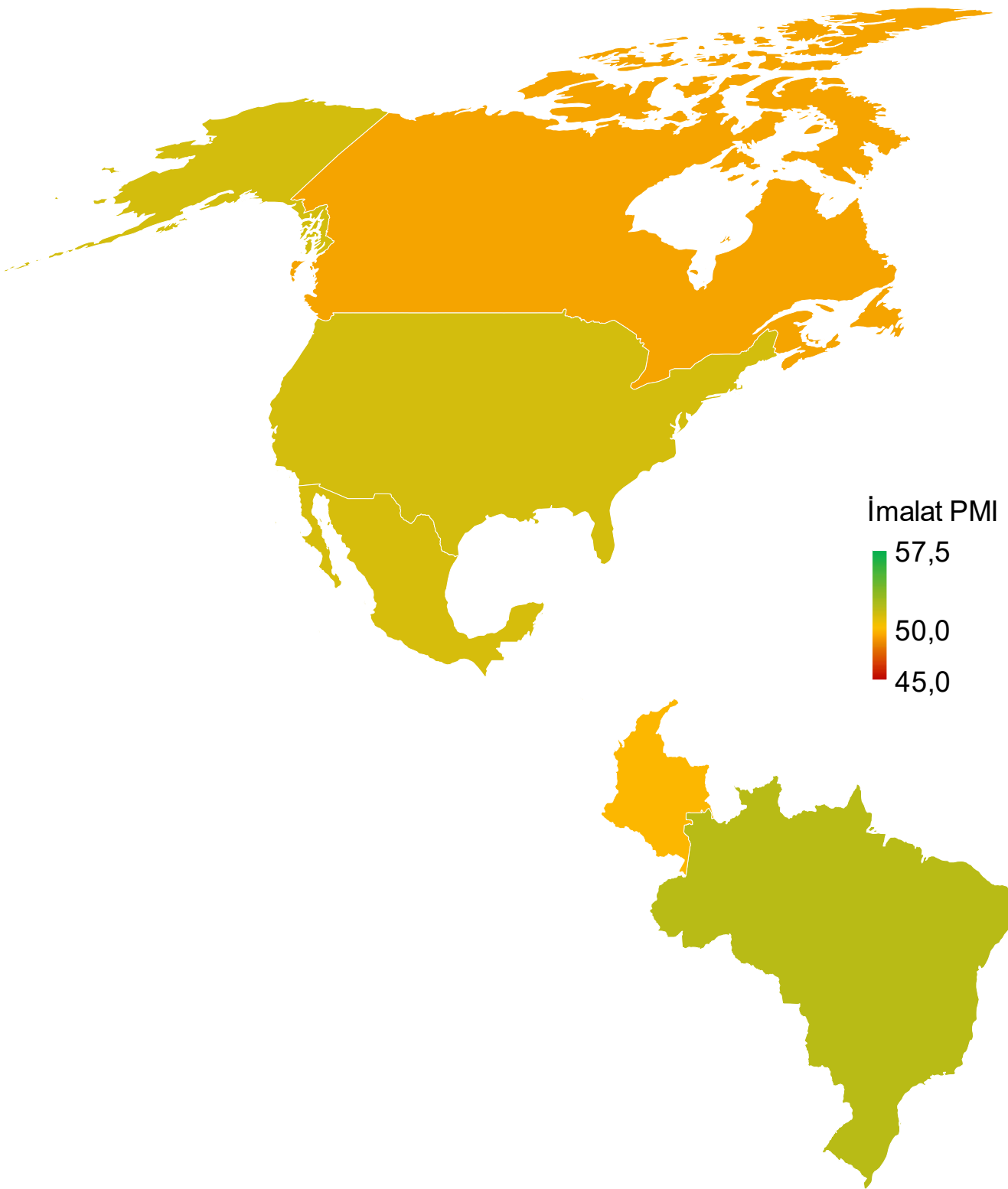


(\*) The countries included in the ASEAN PMI index: Indonesia, Philippines, Malaysia, Myanmar, Singapore, Thailand, Vietnam.

▪ ASEAN Manufacturing PMI reached the peak of the last 13 months



# America



Manufacturing PMI	April 2024	May 2024
Brazil	55.9	52.1
USA	50.0	51.3
Mexico	51.0	51.2
Colombia	49.2	49.8
Canada	49.4	49.3

Source: S&P Global PMI.

The US manufacturing industry started to grow again, while Brazil saw the affects of the flood disaster.

- The US Manufacturing PMI, which posted the threshold of 50.0 in April, rose to 51.3 in May, signaling improvement for the fourth time in the last five months. With the recovery in orders, output and employment growth strengthened. On the other hand, the increase in input and sales prices accelerated.
- Manufacturing PMI in Canada remained below 50 for the 13th month in a row. The contraction in demand and output accelerated, albeit slightly, while inflation remained moderate. The improvement in forward-looking expectations had a positive impact on employment.
- Growth continued in Brazil, however, the flood disaster in the south of the country caused production disruptions in the manufacturing industry. In addition to rising commodity and freight prices, exchange rate developments accelerated price increases.
- As a result of strengthening demand in Mexico, output recovered and Manufacturing PMI remained in the growth zone. However, the weak course of exports, increasing supply problems and strengthening cost pressures led to a deterioration in expectations.
- In Colombia, due to the ongoing decline in demand and increasing stocks, companies reduced output and employment and also reduced sales prices.



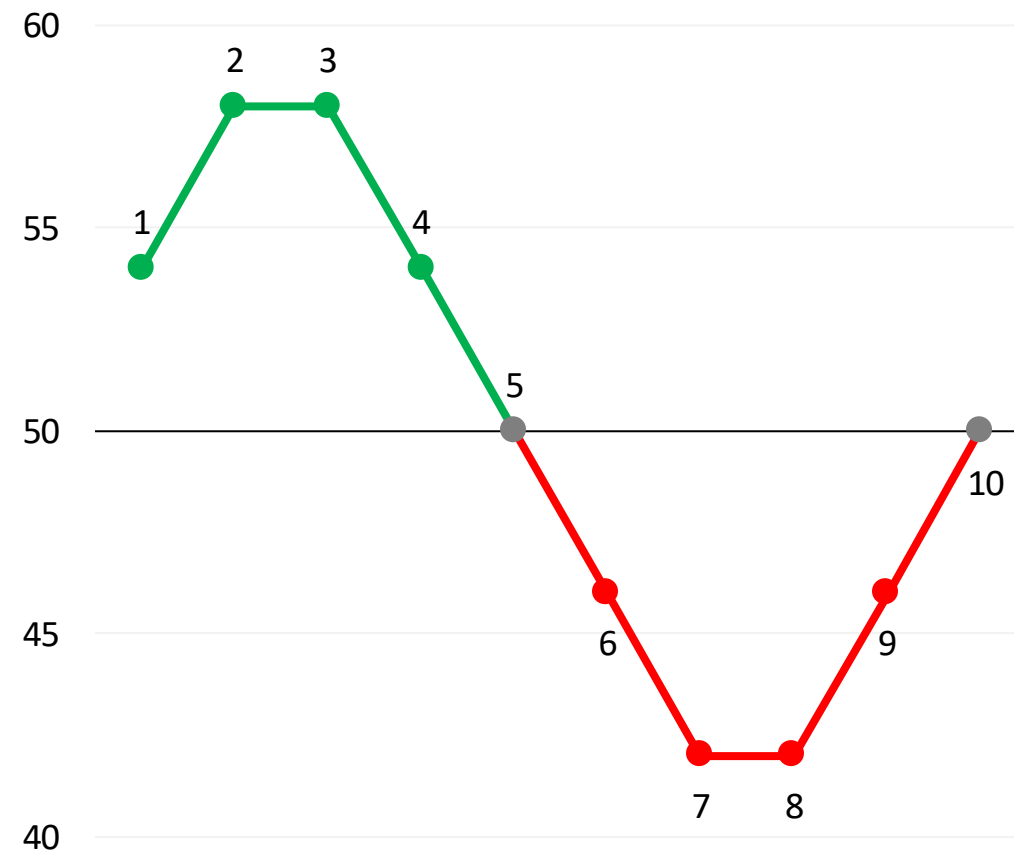
# Methodology

## 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.

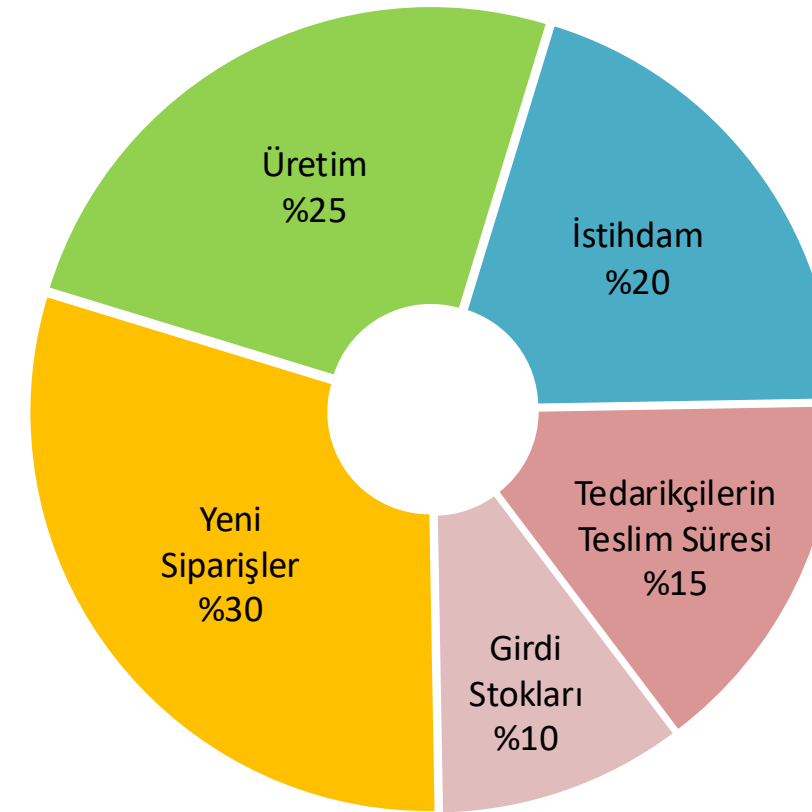
## Why is PMI critical?

- Calculated by a set of methods in more than 40 countries<sup>(\*)</sup>, 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](mailto:arastirma@iso.org.tr)

Meşrutiyet Cad. No. 63 Odakule  
34430 Beyoğlu/İstanbul

[www.iso.org.tr](http://www.iso.org.tr)



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