



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

June 2024

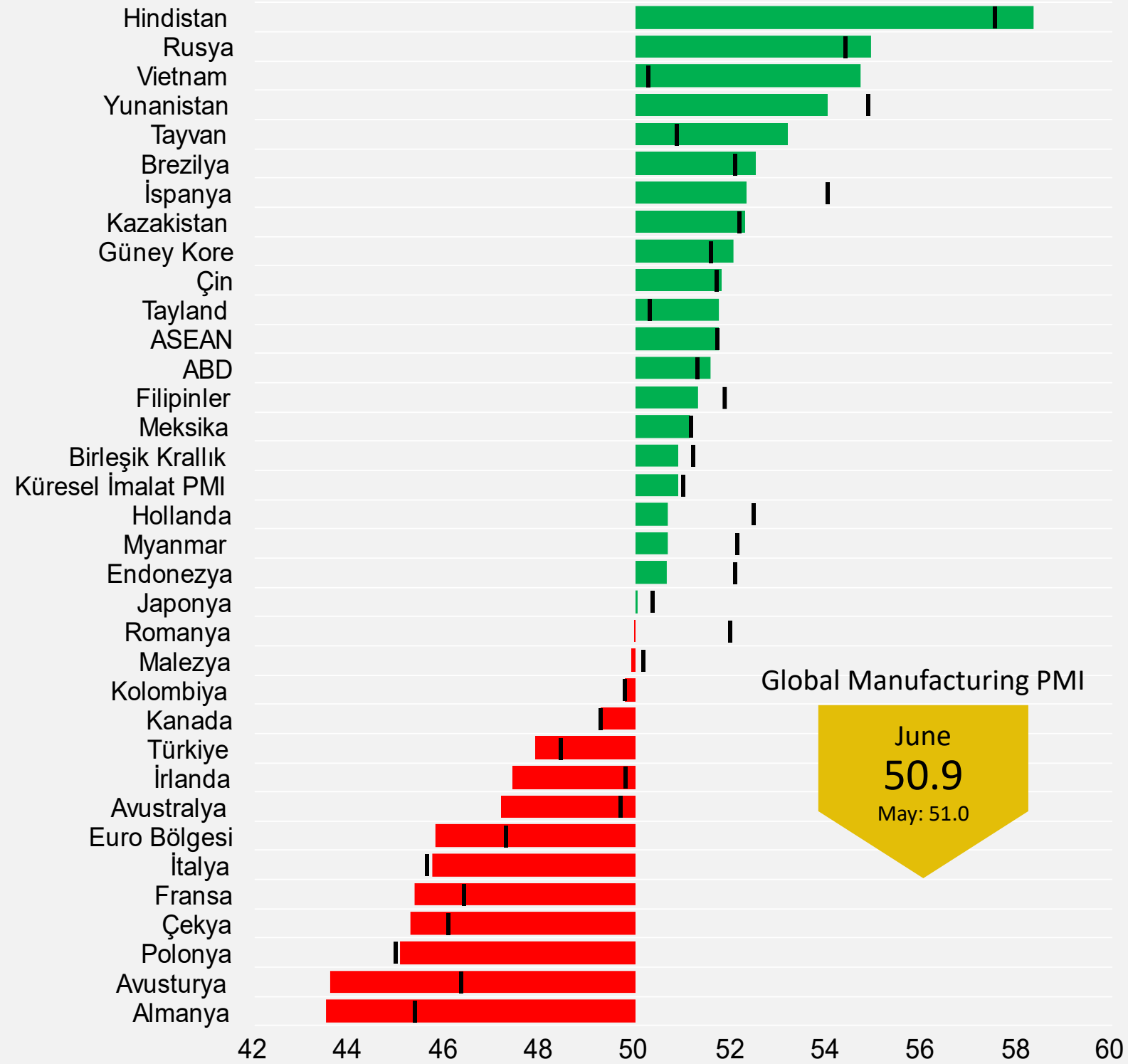




General Outlook

İmalat PMI, Haziran 2024

(>50 = Geçen aya göre iyileşme)



Upturn in global manufacturing continues, but inflation started to accelerate

- Global Manufacturing PMI™ posted 50.9 in June, down slightly from May's high of 51.0. The PMI has remained above the neutral 50.0 mark and at the highest level of approximately 2 years. The average of the index rose to 50.7 in the second quarter from 50.3 in the first quarter.
- Among the 32 national economies for which manufacturing PMI is released, the number of economies that recorded growth (PMI > 50.0) declined to 18 in June from 21 in May. While the Asia-Pacific region continued to diverge positively, the Eurozone remained the center of weakness.
- The rate of increase in output, total new orders and employment in the global manufacturing sector in June was close to May. However, new export orders fell for first time in three months. Manufacturers' business optimism dipped to an eight-month low.
- Despite the relatively mild supply chain pressures, input costs and thus the selling prices increased at the fastest pace in nearly 1.5 years.
- The Istanbul Chamber of Industry Türkiye Manufacturing PMI fell to 47.9 in June from 48.4 in May. Thus, the quarterly average of the index fell to 48.6 in the second quarter from 49.8 in the first quarter. The decline in new orders and employment accelerated in June. The decline in exports remained moderate compared to total orders. Inflationary pressures on the other hand continued to ease.

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

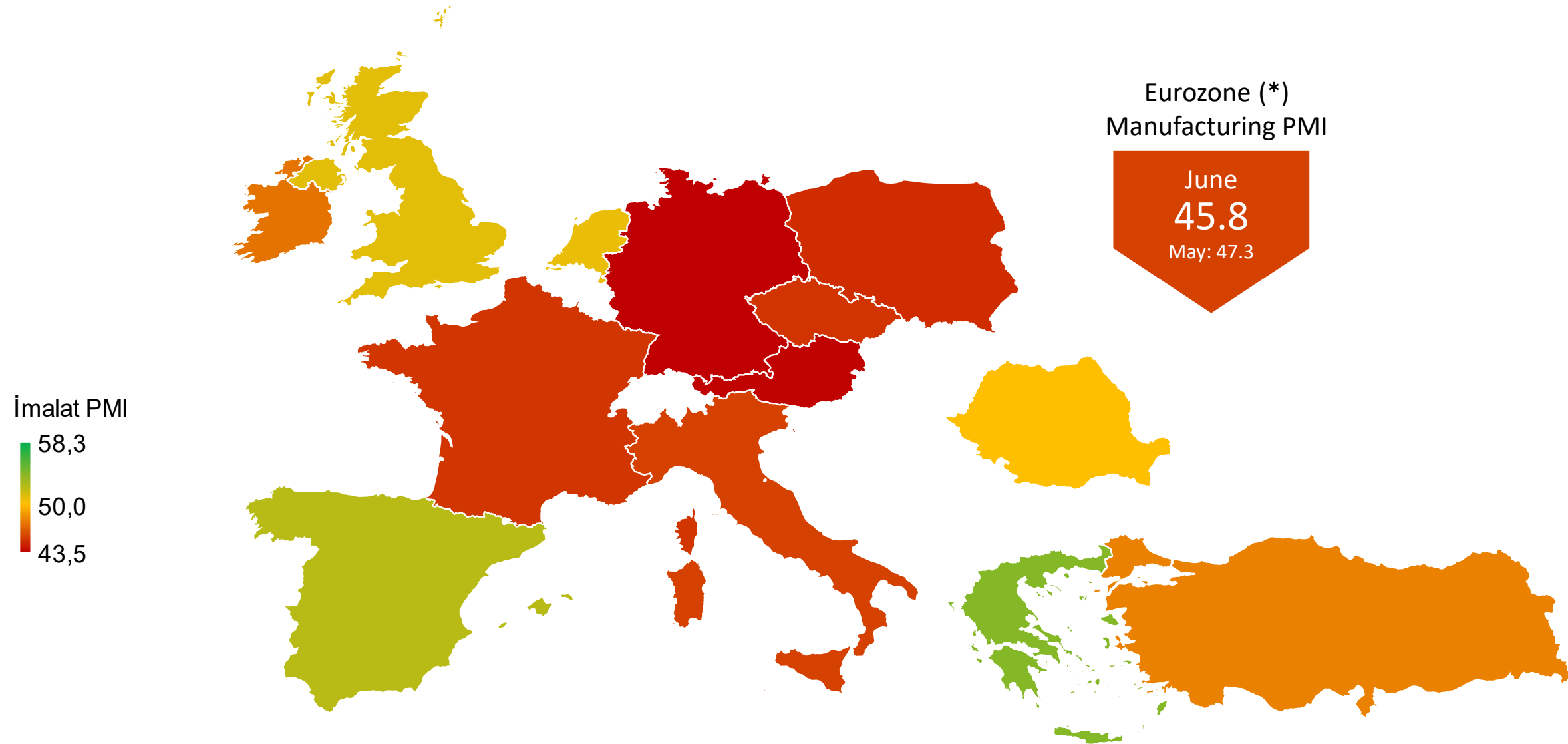
Manufacturing PMI in the Eurozone dropped again.

▪ Eurozone Manufacturing PMI, which rose to a 14-month high of 47.3 in May, dropped to 45.8 in June. The sharpest decline of 2024 was seen in output, while the contraction in new orders accelerated. Input costs increased on a monthly basis for the first time since February 2023, thus, recording the slowest decline in sales prices in the last 1 year .

▪ Three of the eight Eurozone countries (Greece, Spain, Netherlands) remained in the growth zone in June, albeit at a slower pace. On the other hand, contraction became more evident in Germany, Austria and France, where the weakest business conditions were observed.

▪ In the UK, the manufacturing industry expanded for the second consecutive month. Demand continued to recover, while input prices rose at the sharpest pace in 17 months.

▪ In Eastern Europe, Romania's manufacturing sector signaled a pause after two consecutive months of growth, while Poland and Czechia continued to contract.



Manufacturing PMI	May 2024	June 2024
Greece	54.9	54.0
Spain	54.0	52.3
United Kingdom	51.2	50.9
The Netherlands	52.5	50.7
Romania	52.0	50.0
Türkiye	48.4	47.9
Ireland	49.8	47.4
Italy	45.6	45.7
France	46.4	45.4
Czech Republic	46.1	45.3
Poland	45.0	45.0
Austria	46.3	43.6
Germany	45.4	43.5

Source: S&P Global PMI.

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



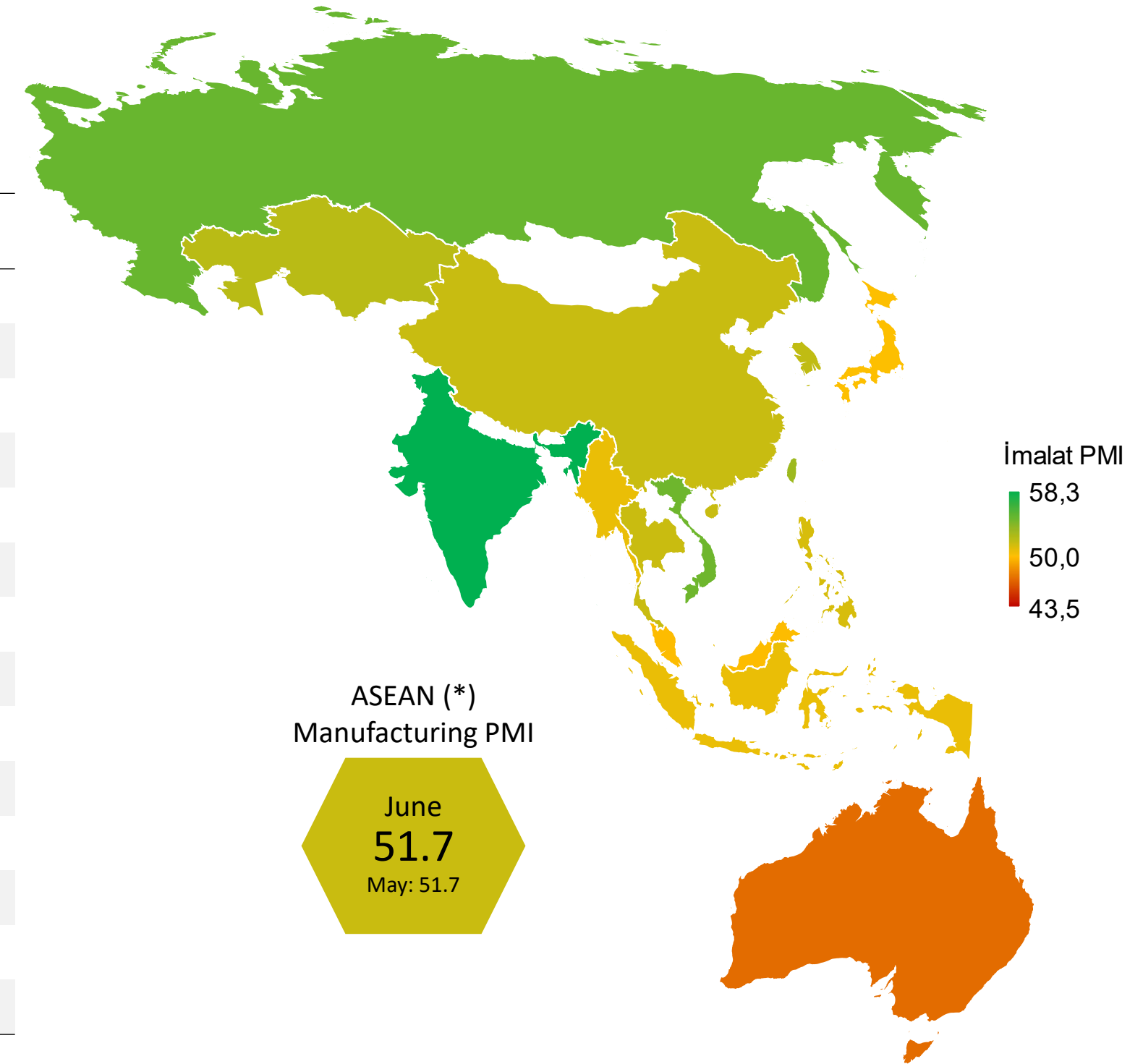
Asia-Pacific

The region remained the center of growth in the global manufacturing sector.

- After a marked improvement in May, Asia-Pacific manufacturers maintained their positive outlook at the end of the first quarter.
- China Manufacturing PMI rose to 51.8 in June, signaling the strongest improvement in business conditions in more than 3 years. However, price pressures increased due to supply delays.
- In Japan's manufacturing sector, output and employment increased moderately despite a slight decline in new orders.
- Among the 32 economies where manufacturing PMI data were released, the strongest growth was again measured in India. Output and new orders accelerated while employment expanded at a record pace.
- In South Korea, demand conditions improved thanks to the accelerated export growth and output increased significantly.
- Taiwan's manufacturing sector posted its strongest growth signal in more than 2 years in June.
- In Russia, the sector's performance continued to improve and employment growth reached the highest pace in the survey's history.
- In Australia, the contraction in the manufacturing industry deepened, significantly different from the rest of the region.
- ASEAN (*) Manufacturing PMI remained unchanged at 51.7 in June compared to the previous month. Output and new orders continued to expand while employment recovered. All economies in the region except Malaysia were in the growth zone in June.

Manufacturing PMI	May 2024	June 2024
India	57.5	58.3
Russia	54.4	54.9
Vietnam	50.3	54.7
Taiwan	50.9	53.2
Kazakhstan	52.2	52.3
South Korea	51.6	52.0
China	51.7	51.8
Thailand	50.3	51.7
Philippines	51.9	51.3
Myanmar	52.1	50.7
Indonesia	52.1	50.7
Japan	50.4	50.0
Malaysia	50.2	49.9
Australia	49.7	47.2

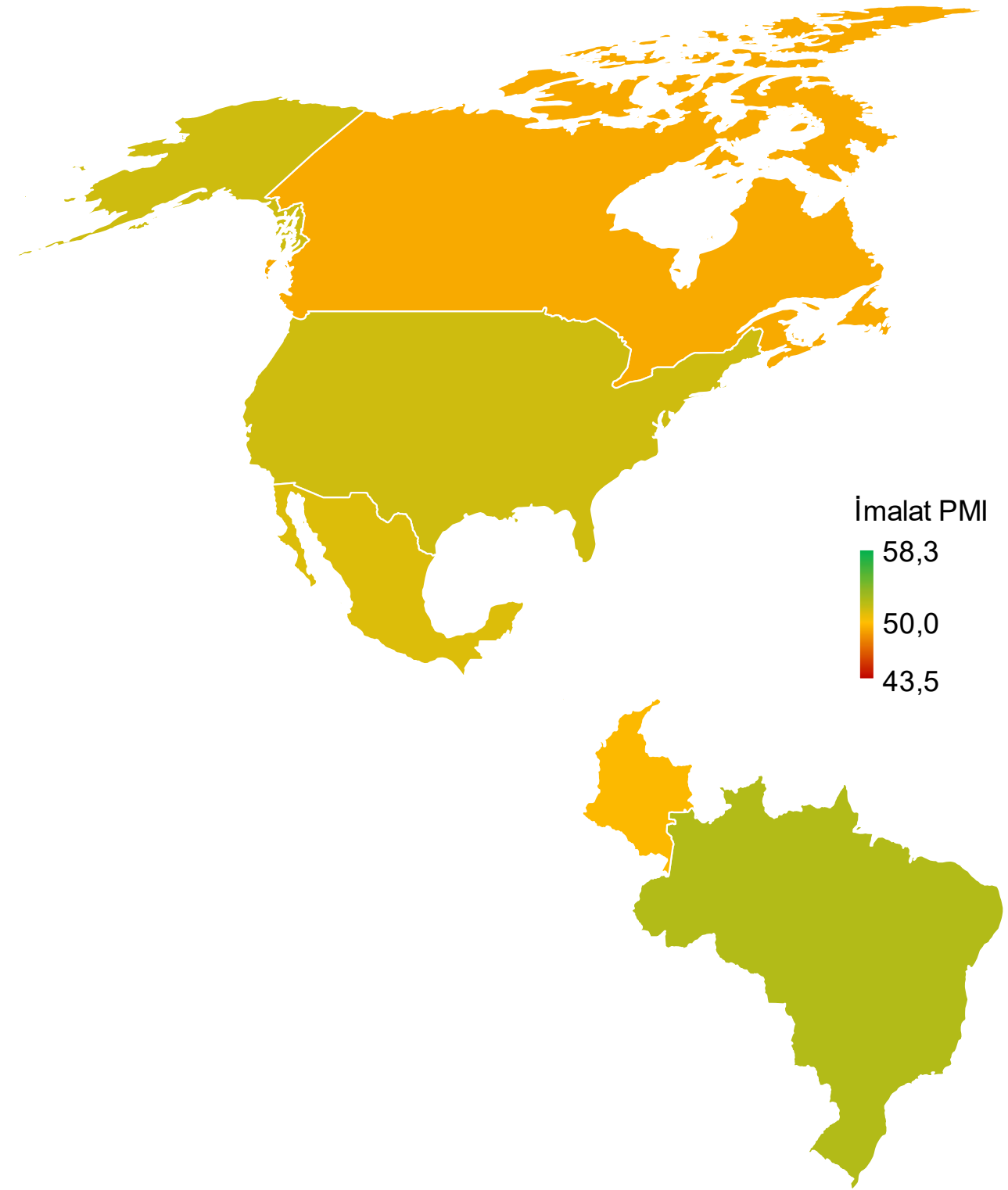
Source: S&P Global PMI.



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



America



Manufacturing PMI	May 2024	June 2024
Brazil	52.1	52.5
USA	51.3	51.6
Mexico	51.2	51.1
Colombia	49.8	49.8
Canada	49.3	49.3

Source: S&P Global PMI.

Manufacturing PMI indexes remained relatively unchanged in June.

- In the US, the headline manufacturing PMI rose by 0.3 points to 51.6, while demand and output continued to increase, albeit at a slower pace. Employment expanded at the strongest pace in the last 21 months. Inflation continued to slow down both in input costs and selling prices.
- In Canada, Manufacturing PMI remained below the threshold value of 50 for the 14th consecutive month, remaining below 49.3 in May, while output and orders continued to decline. Employment decreased for the first time in 5 months while price increases remained moderate.
- In Brazil, despite the weak rise in new orders, the acceleration in output growth led to a slight increase in the Manufacturing PMI. On the other hand, inflationary pressures reached the highest level since mid-2022.
- In Mexico, the sustained upward trend in demand supported the expansion in output, while price increases were measured at the fastest pace in the last 21 months.
- In Colombia, persistent weakness in demand and accumulated inventories led to a decline in output, employment and selling prices of manufacturers.



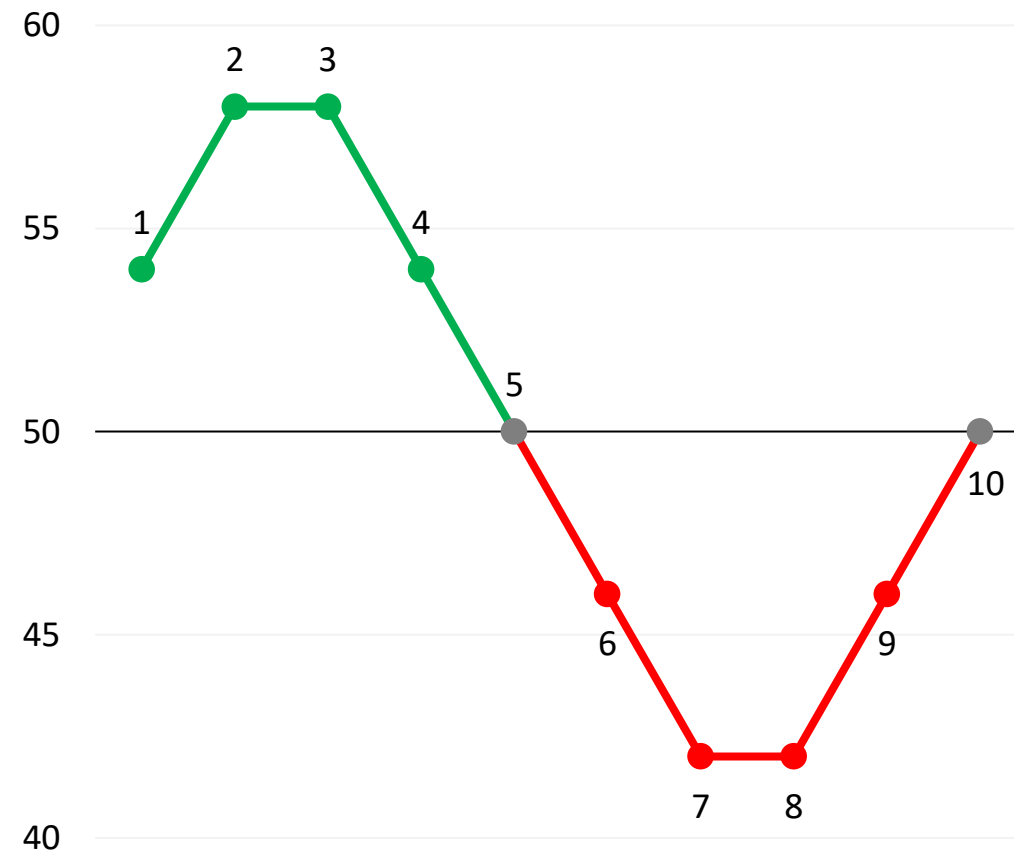
Methodology

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?

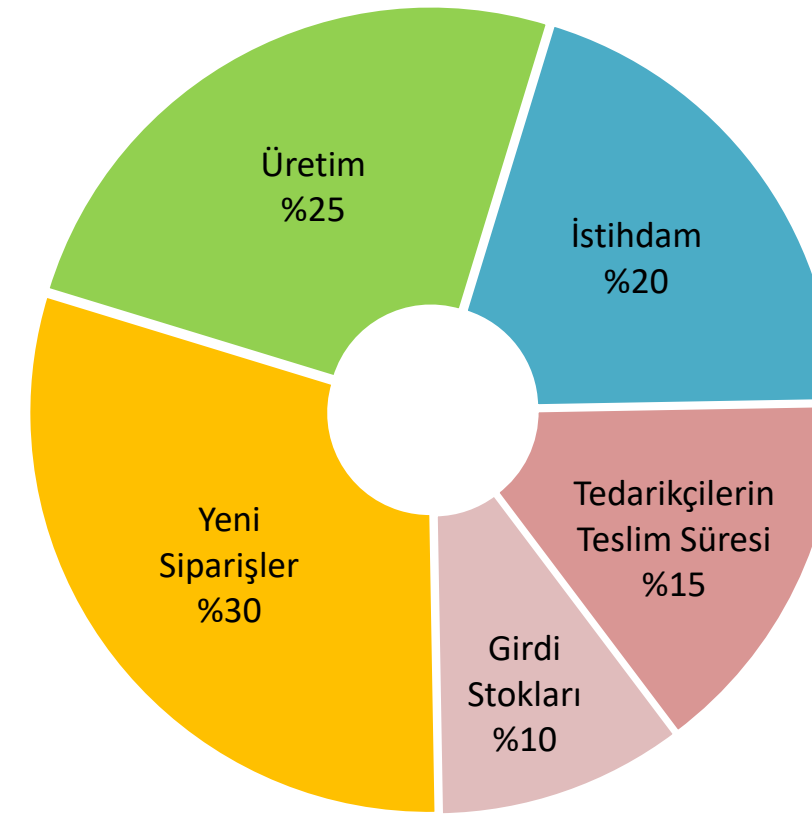
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

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.

Manufacturing PMI Individual Index Weights





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