



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

October 2024

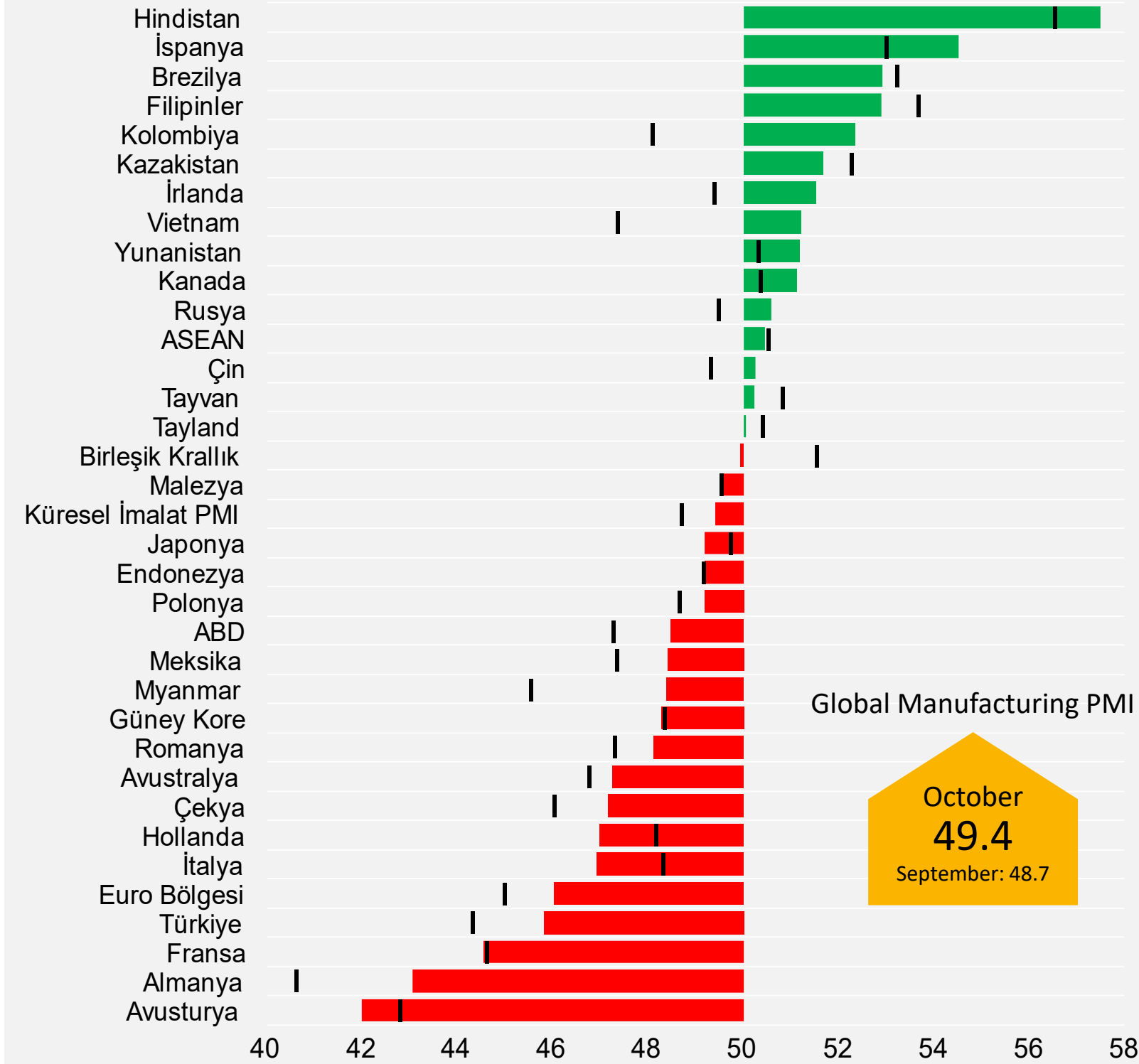




General Outlook

İmalat PMI, Ekim 2024

(>50 = Geçen aya göre iyileşme)



Global manufacturing sector started the last quarter with a contraction due to stagnant demand.

- The Global Manufacturing Purchasing Managers Index® (PMI) posted 49.4, up from 48.7 in September (11-month low) remain below the neutral 0.0 mark for the fourth month in a row, signalling contraction at the start of the final quarter.
- Of the 32 nations for which Global PMI data are available, 18 reported deteriorating business conditions on a monthly basis. However this number was 22 in October. Five countries returned to growth zone in October after moderation in September, while contraction eased in 9 economies compared to the previous month.
- A positive note in October was that the output index rose to 50.1 from 49.2, indicating the end of the decline. The new orders index, on the other hand, increased by 1.6 points to 48.8, indicating that demand remained stagnant, especially due to the weakness in global trade.
- The general stagnancy in the sector also led to weak expectations for the near future. Global manufacturing employment fell for the third consecutive month in October. Inflation remained almost unchanged from September in both input costs and finished goods prices.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI rose to 45.8 in October after falling to a post-pandemic low of 44.3 in September. However, this figure also pointed to a continued deterioration in business conditions. Output, orders, employment and purchases continued to decline, albeit at a slower pace. On the positive side, inflationary pressures continued to ease.

Source: S&P Global PMI.

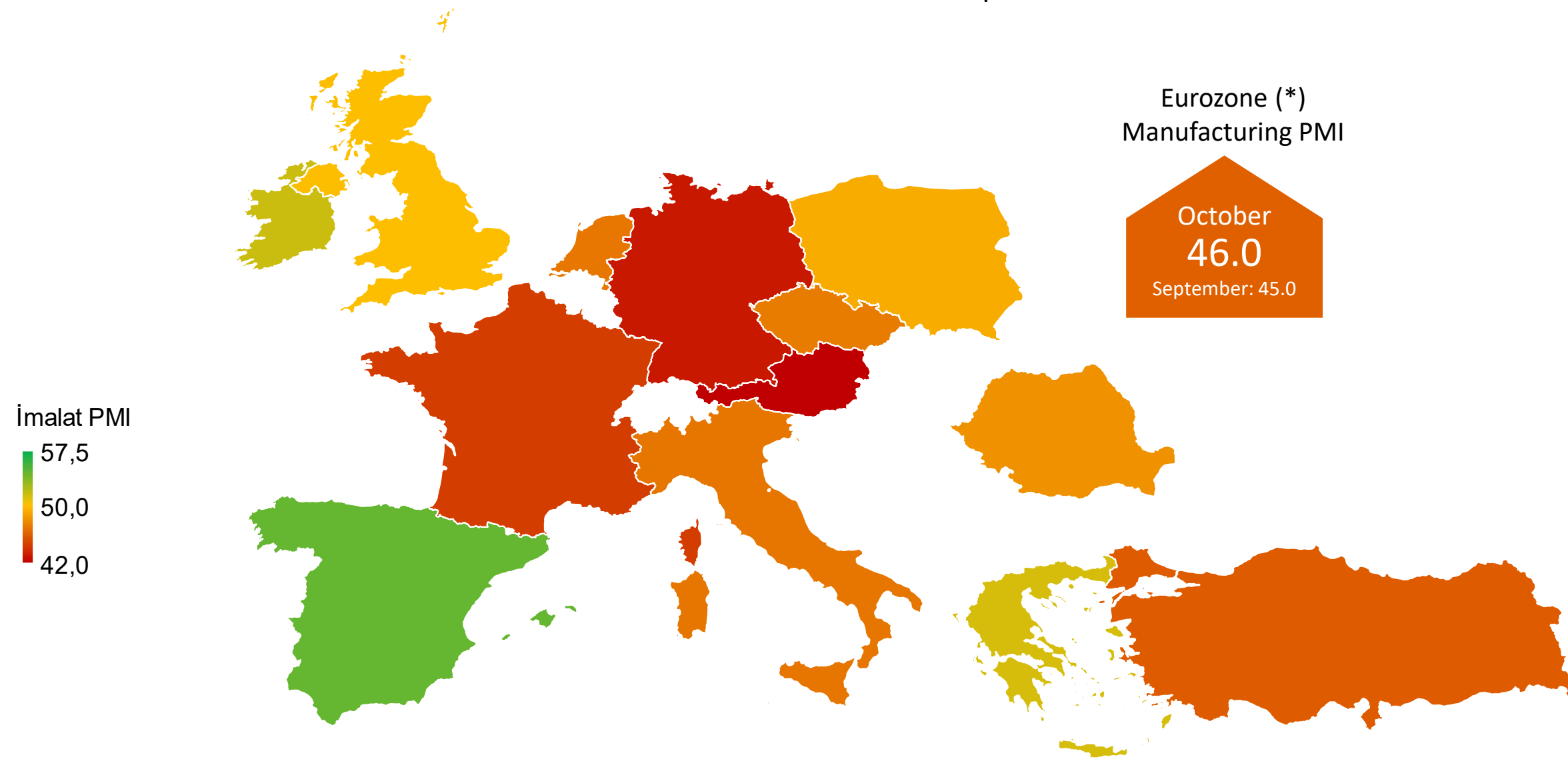
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

The contraction in Eurozone eased compared to the previous month.

- The Eurozone Manufacturing PMI rose to 46 in October from 45 in September, the highest reading in the last 5 months, but pointed to continued weakness in the sector. Although the declines in new orders, output and employment eased compared to the previous month, they remained significant. Both input costs and product prices continued to drop in October.
- With the recovery in Ireland, 3 out of 8 Eurozone countries in the Manufacturing PMI improved in October. Germany and France were again the main factors of the weak performance in the region, while the strongest performance was recorded in Spain. The deterioration deepened in the Netherlands, Italy and Austria compared to September.
- In the UK, the Manufacturing PMI fell slightly below the 50.0 threshold value again due to slowing output growth and contraction in new orders.
- In the three Eastern European countries (Poland, Czechia and Romania), the Manufacturing PMI remained in contraction zone, although the index increased compared to September.



Manufacturing PMI	September 2024	October 2024
Spain	53.0	54.5
Ireland	49.4	51.5
Greece	50.3	51.2
United Kingdom	51.5	49.9
Poland	48.6	49.2
Romania	47.3	48.1
Czech Republic	46.0	47.2
The Netherlands	48.2	47.0
Italy	48.3	46.9
Türkiye	44.3	45.8
France	44.6	44.5
Germany	40.6	43.0
Austria	42.8	42.0

Source: S&P Global PMI.

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



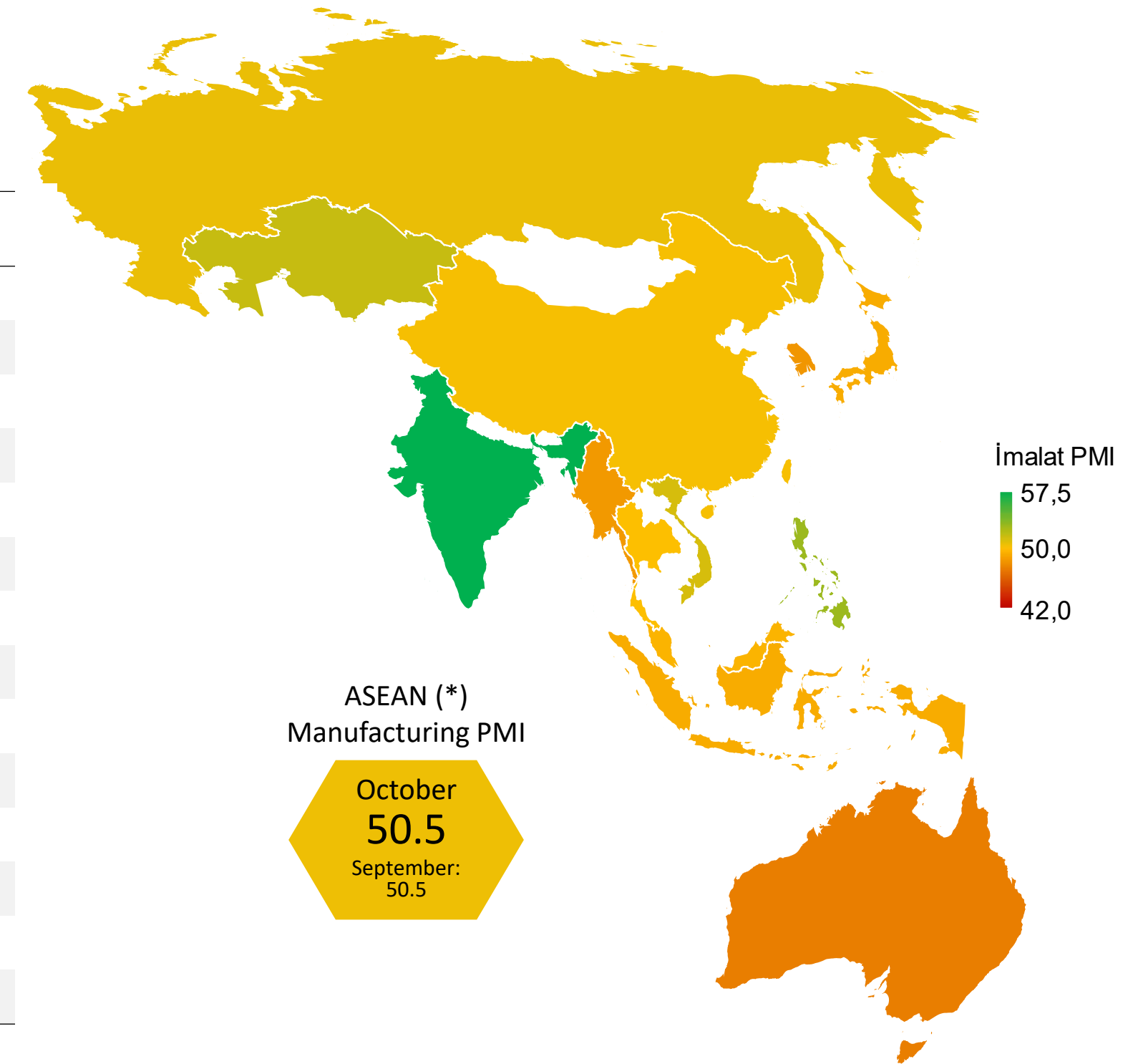
Asia-Pacific

Manufacturing PMI in China, Russia and Vietnam returned to growth zone.

- While the mixed outlook continues in the Asia-Pacific region, some major economies in the region drew a relatively positive picture in October after the weakness in September.
- The Chinese Manufacturing PMI, which fell into contraction zone at 49.3 in September, signaled a slight recovery with 50.3 in October as new orders recovered and output growth accelerated.
- The Manufacturing PMI in Japan recorded its weakest value in the last 3 months at 49.2. While the decline in output and orders accelerated, staffing levels remained unchanged.
- India, which has long been the leader in Manufacturing PMI, regained momentum in October after a slight slowdown in September.
- In South Korea, output experienced the most significant decline in the last 16 months due to the impact of new orders contracting for the second month in a row.
- Growth in Taiwan decelerated for the fourth consecutive month. The increase in output and new orders remained weak, and firms again reduced their staffing levels.
- In Russia, the PMI rose slightly above 50 as the contraction in demand and output slowed and employment recovered.
- The deterioration in Australia's manufacturing sector continued, albeit at a slower pace. The decline in output and orders slowed.
- ASEAN (*) Manufacturing PMI remained stable at 50.5 in October, signaling continued moderate recovery in the region, but growth remained at its slowest pace since February. Vietnam's recovery was

Manufacturing PMI	September 2024	October 2024
India	56.5	57.5
Philippines	53.7	52.9
Kazakhstan	52.3	51.7
Vietnam	47.3	51.2
Russia	49.5	50.6
China	49.3	50.3
Taiwan	50.8	50.2
Thailand	50.4	50.0
Malaysia	49.5	49.5
Japan	49.7	49.2
Indonesia	49.2	49.2
Myanmar	45.5	48.4
South Korea	48.3	48.3
Australia	46.7	47.3

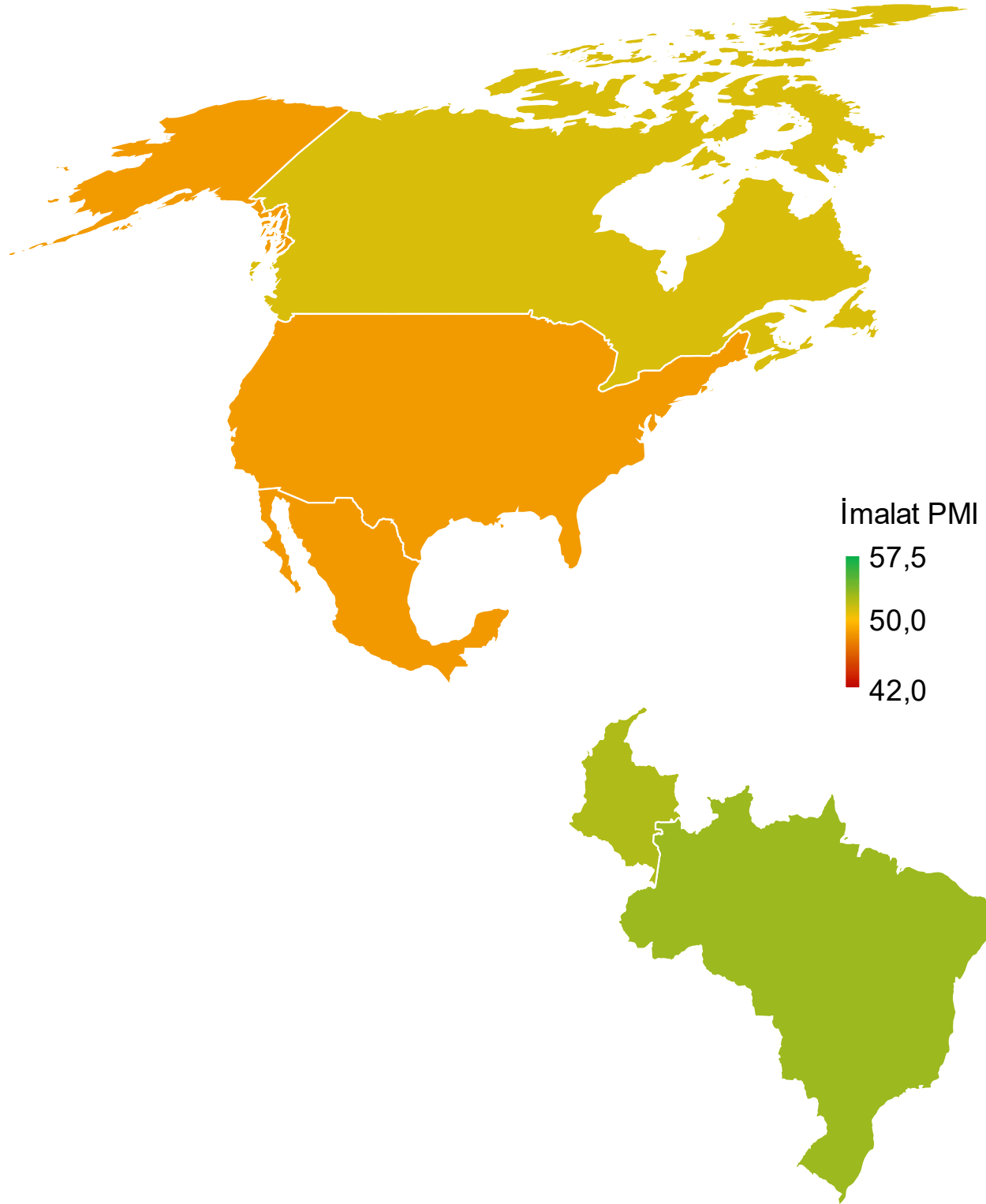
Source: S&P Global PMI.



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



America



Manufacturing PMI	September 2024	October 2024
Brazil	53.2	52.9
Colombia	48.1	52.3
Canada	50.4	51.1
USA	47.3	48.5
Mexico	47.3	48.4

Source: S&P Global PMI.

The US Manufacturing sector's contraction continued at the final quarter.

- The US Manufacturing PMI started the last quarter of the year with a contraction. On the other hand, despite the uncertainty surrounding the presidential elections, the slowdown in output and new orders compared to September was notable. The hurricanes experienced in the country put pressure on supply chains.
- Signs of recovery in Canada's manufacturing sector continued in October. Output increased for the first time in more than a year due to the moderate increase in orders. Staffing levels expanded for the second month in a row.
- In Mexico, the Manufacturing PMI remained in contraction zone for the fourth month in a row. The low demand led to a continued decline in output and employment.
- Despite the slight decline in the Manufacturing PMI in Brazil in October, export performance reached a record level in almost 4 years, resulting in the strongest increase in output since April.
- In Colombia, with the recovery in demand, the Manufacturing PMI rose significantly to 52.3 and entered the growth zone again.



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?

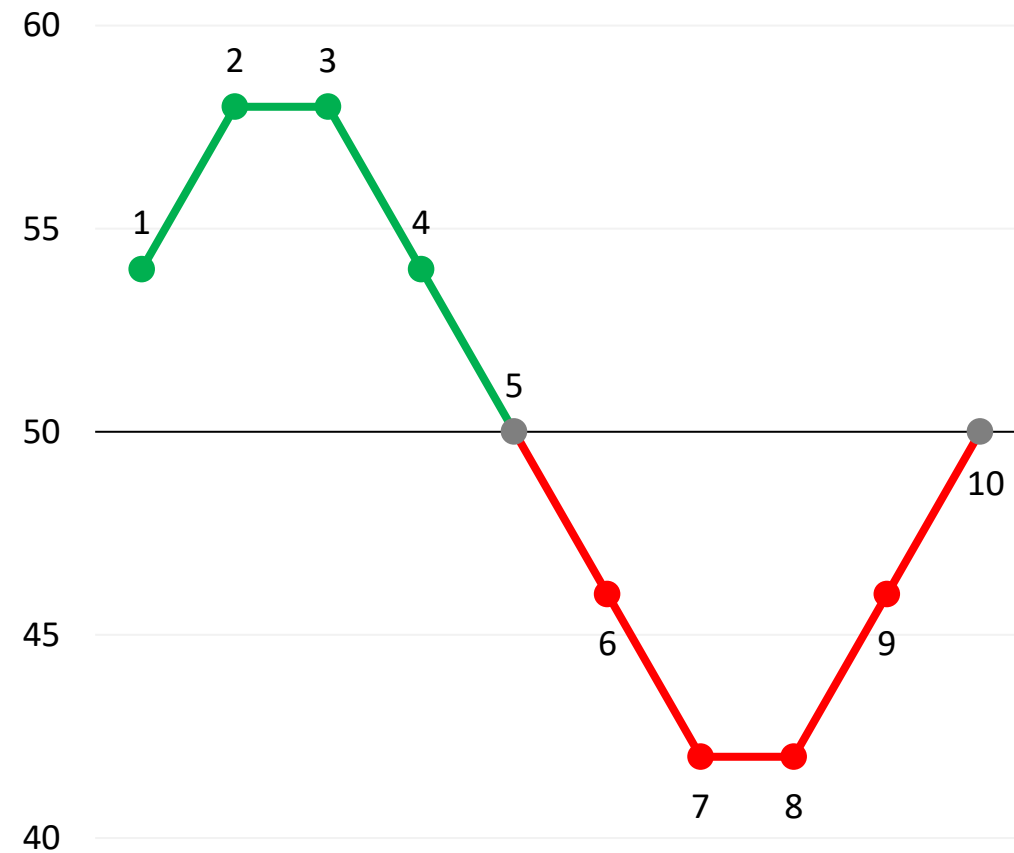
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

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.

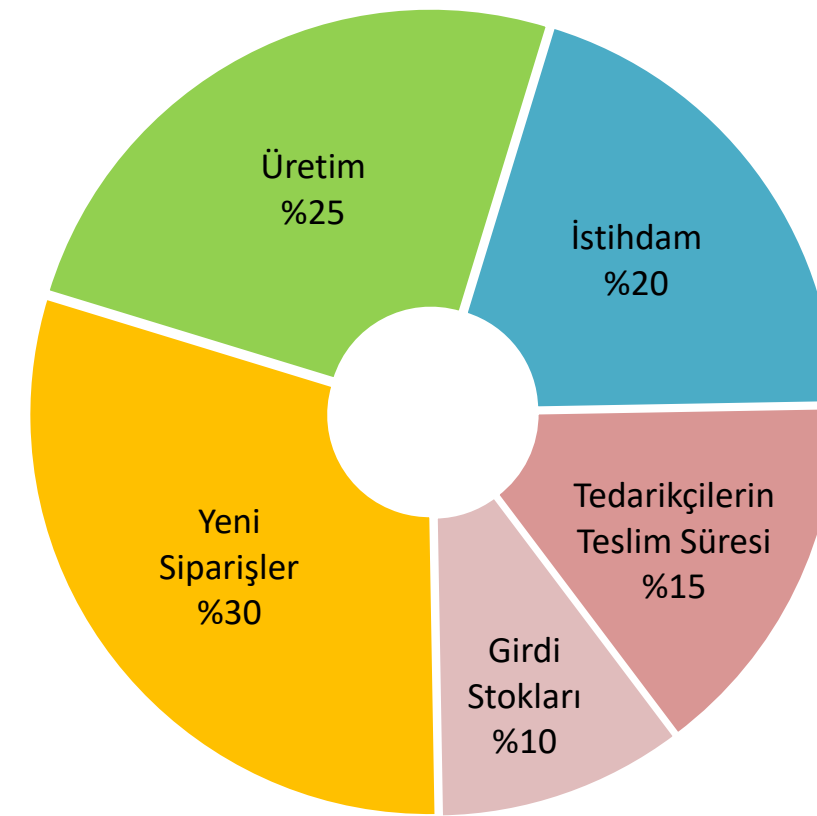
Index Interpretation

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 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.



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