



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

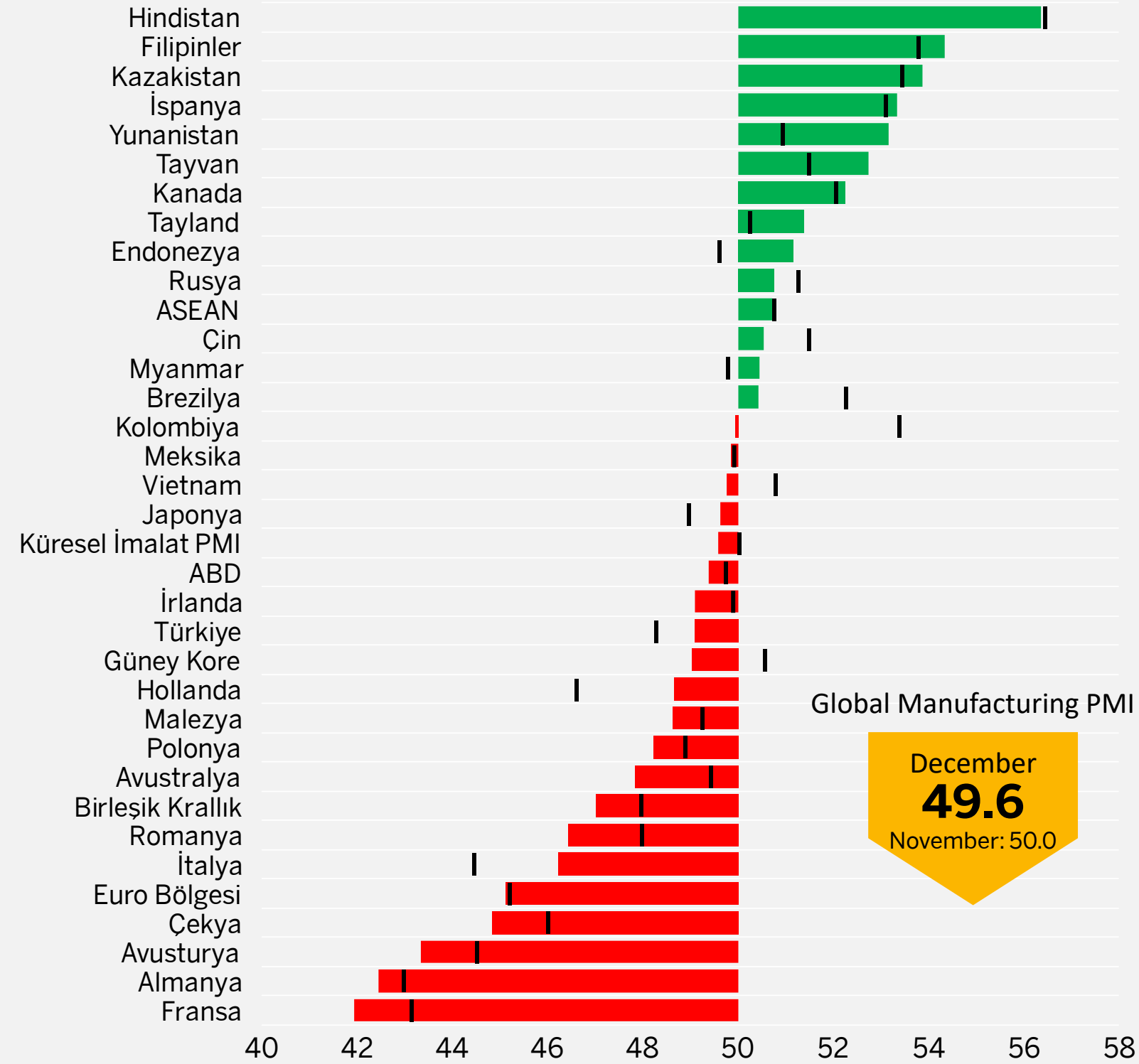
December 2024





General Outlook

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



The global manufacturing industry closed 2024 with a contraction.

- The Global Manufacturing Purchasing Managers' Index® (PMI) fell by 0.4 points to 49.6 in December from the threshold 50.0. On the other hand, the average of the index for the last quarter was 49.7, 0.4 points higher than the third quarter. The 2024 average was 50.0, up 0.8 points from the previous year.
- Global manufacturing industry performance continued to diverge significantly across countries. The number of economies posting PMI values higher than 50.0 declined to 12 from 13, but growth accelerated in 7 of these countries. Deterioration became more evident in 12 of the 19 economies in the negative zone.
- After moderate increases in October and November, global output dropped in December. The partial increase in consumer goods production partially offset the decline in intermediate goods and capital goods. New orders started to contract again while the decline in exports accelerated.
- The contraction in global manufacturing employment continued in December, albeit at a slower pace. On the prices side, input cost inflation reached its highest level since August, but the increase in selling prices was measured at the lowest rate in the last 9 months.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI rose to 49.1 in December from 50.0 in November, following a total of 4 points increase in October and November. The average of the index for the last quarter was 47.7, 1.3 points higher than the third quarter. Employment declined in December, despite a slowdown in output, new orders and input purchases. Inflation indicators continued to improve.

Source: S&P Global PMI.

Note: The index values of the previous month are shown with vertical black lines to indicate the increases or decreases of the index compared to the previous month.



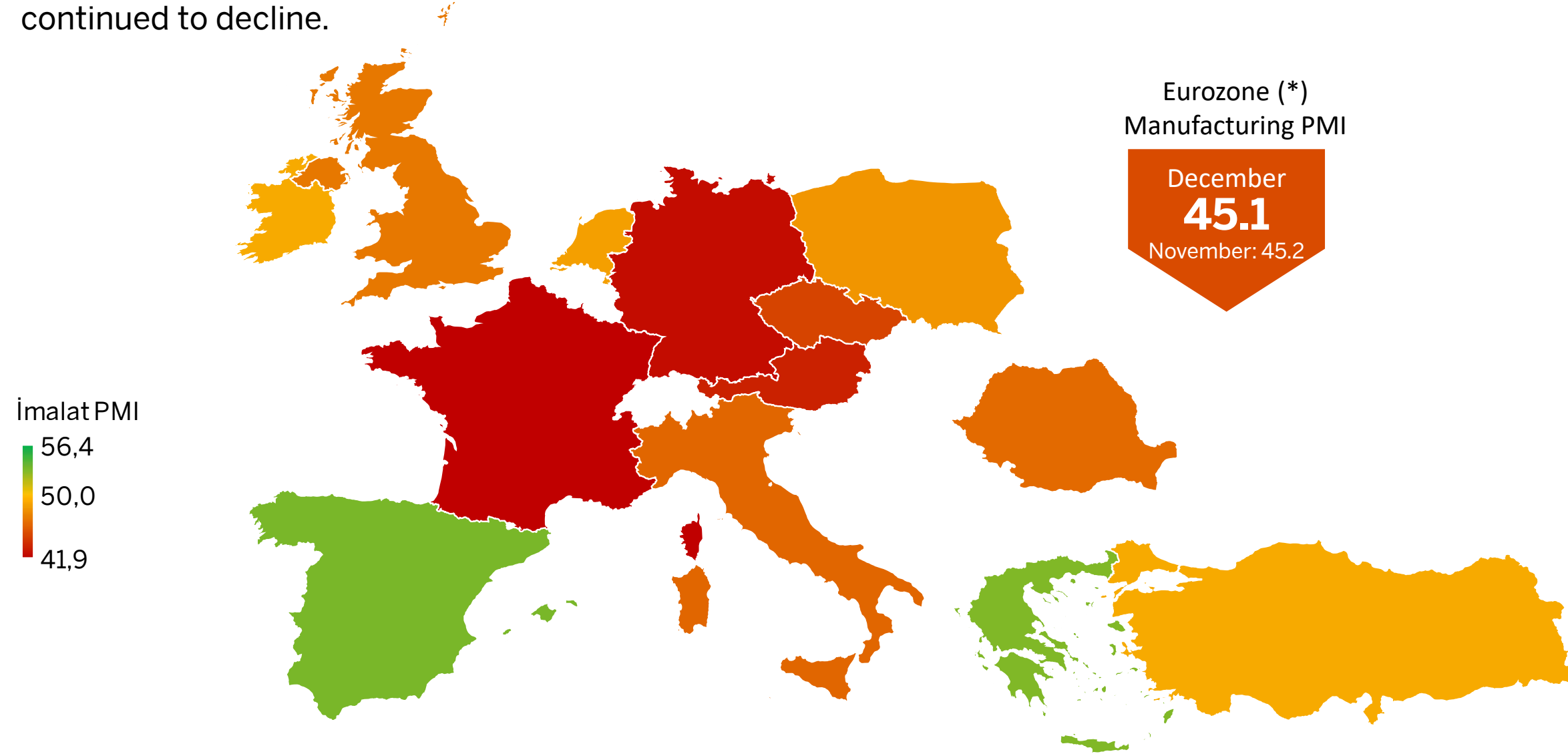
Europe

The weak performance of the manufacturing sector continued in most of the Eurozone.

- The Eurozone Manufacturing PMI dropped to 45.1 in December from 45.2 in November. Thus, the index remained below the 50.0 threshold for the last 2.5 years. Contraction in output and new orders (including exports) accelerated while employment losses continued, albeit at a slower pace. Input costs remained unchanged from November, while selling prices continued to decline.

- In the Eurozone, December performances again showed significant differences across countries. Spain and Greece posted a stronger improvement than the previous month, while the manufacturing industry continued to contract in the three major economies (Germany, France, Italy). In France, the PMI was the lowest since May 2020.

- In the UK, the Manufacturing PMI fell to 47.0, the lowest level in nearly a year, while declines in output, new orders and employment accelerated.
- In the three Eastern European countries for which PMI data are available (Poland, Czechia, Romania), the manufacturing sector contracted more markedly than in October and November.



Manufacturing PMI	November 2024	December 2024
Spain	53.1	53.3
Greece	50.9	53.2
Ireland	49.9	49.1
Turkey	48.3	49.1
The Netherlands	46.6	48.6
Poland	48.9	48.2
United Kingdom	48.0	47.0
Romania	48.0	46.4
Italy	44.5	46.2
Czech Republic	46.0	44.8
Austria	44.5	43.3
Germany	43.0	42.5
France	43.1	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.



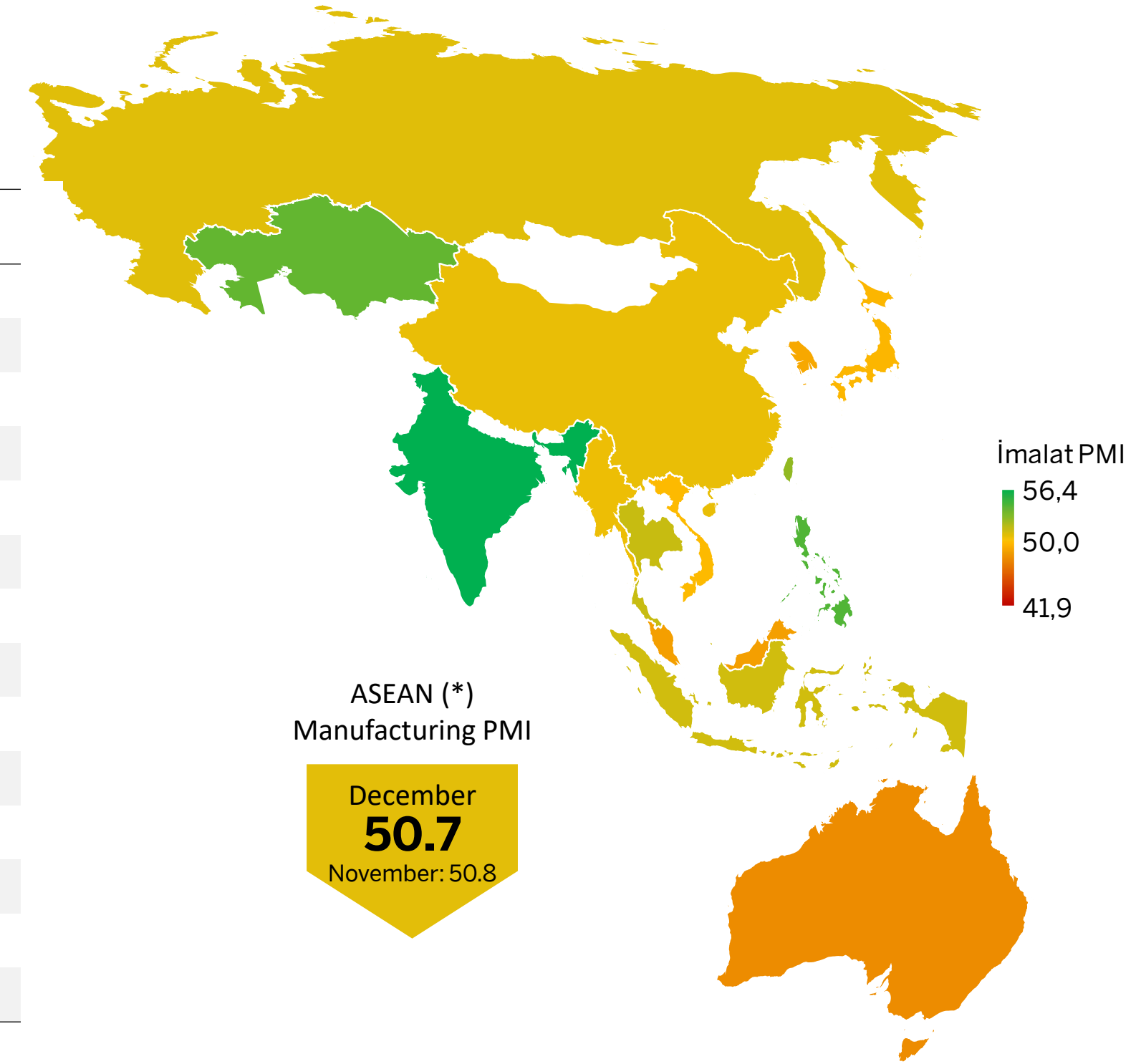
Asia Pacific

China and Russia lost momentum while India topped again.

- Despite significant divergences, the manufacturing sector in most of the Asia-Pacific region closed 2024 with growth.
- China Manufacturing PMI declined to 50.5 in December after hitting a 5-month high of 51.5 in November. Improvement in general demand conditions slowed down, especially due to the decline in export orders.
- In Japan, Manufacturing PMI came close to the 50.0 threshold in December as the decline in output and orders eased.
- India's Manufacturing PMI remained at the top of the 32 countries monitored under the survey, despite hitting its lowest reading of the year at 56.4.
- In South Korea, manufacturing output fell sharply due to the weakness in new orders for the fourth month in a row.
- In Taiwan, positive demand supported output growth. Employment, on the other hand, declined as the sector focused on efficiency.
- Russia's output and new order growth slowed, while employment declined; supply and price pressures remained strong.
- Kazakhstan's manufacturing output set a record growth rate in the survey's history, which began in March 2019.
- Australia's contraction in new orders and output deepened.
- ASEAN (*) Manufacturing PMI fell to 50.7 in December from 50.8 in November. Despite the weakness in exports, total demand and output continued to increase. The sector improved in the Philippines, Thailand and Indonesia, but deteriorated in Malaysia and Vietnam.

Manufacturing PMI	November 2024	December 2024
India	56.5	56.4
Philippines	53.8	54.3
Kazakhstan	53.5	53.9
Taiwan	51.5	52.7
Thailand	50.2	51.4
Indonesia	49.6	51.2
Russia	51.3	50.8
China	51.5	50.5
Myanmar	49.8	50.4
Vietnam	50.8	49.8
Japan	49.0	49.6
South Korea	50.6	49.0
Malaysia	49.2	48.6
Australia	49.4	47.8

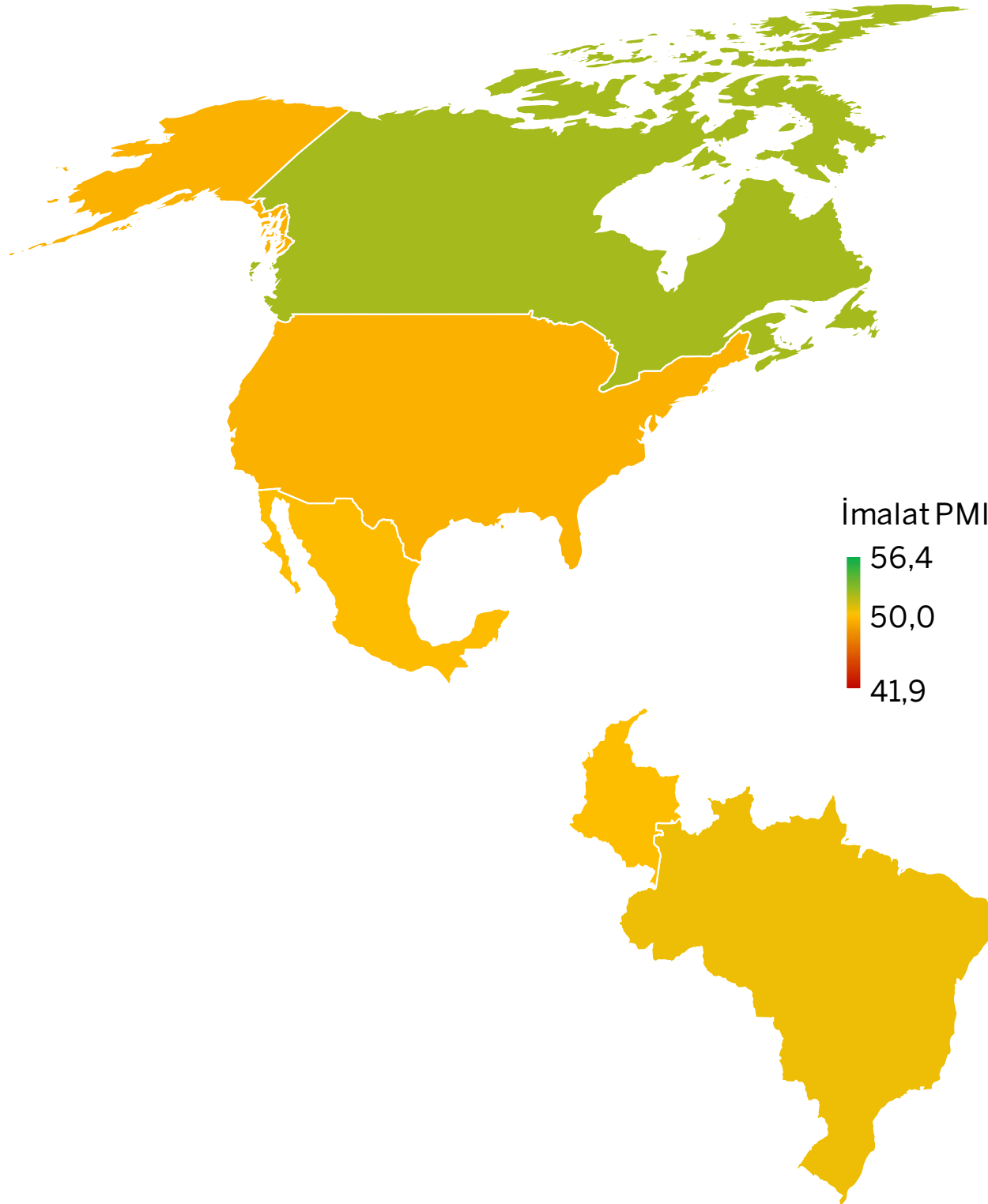
Source: S&P Global PMI.



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



America



Manufacturing PMI	November 2024	December 2024
Canada	52.0	52.2
Brazil	52.3	50.4
Colombia	53.4	49.9
Mexico	49.9	49.8
USA	49.7	49.4

Source: S&P Global PMI.

Business conditions in the US and Mexico continued to deteriorate slightly.

- The US manufacturing sector closed 2024 with a weakening outlook. The contraction in output and new orders accelerated in December. Due to the accelerating rise in input costs, selling prices increased at the highest rate in the last 3 months. Nevertheless, employment growth continued at an accelerated pace.
- In Canada, the manufacturing sector maintained its growth trend as of the year-end. Manufacturing PMI reached 52.2, the highest level in nearly 2 years.
- In Mexico, firms reduced their output volumes due to the ongoing weakness in new orders, including exports. However, these contractions were generally mild.
- In Brazil, output and new orders increased at the slowest pace in the last 4 months. Manufacturing PMI was realized at the lowest level of 2024 for the second time, the same level as in August.
- In Colombia, after a 10-month peak in November, the Manufacturing PMI to 49.9 from 52.4 due to a slight decline in new orders and output.



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?

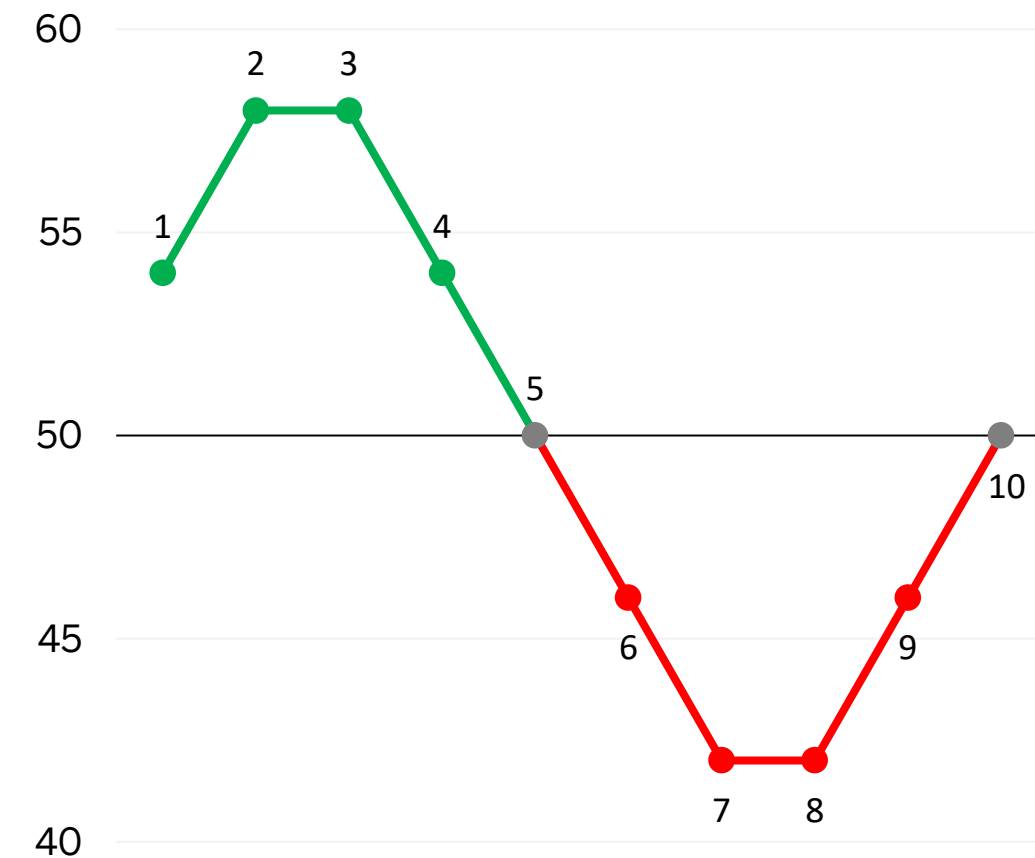
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

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.

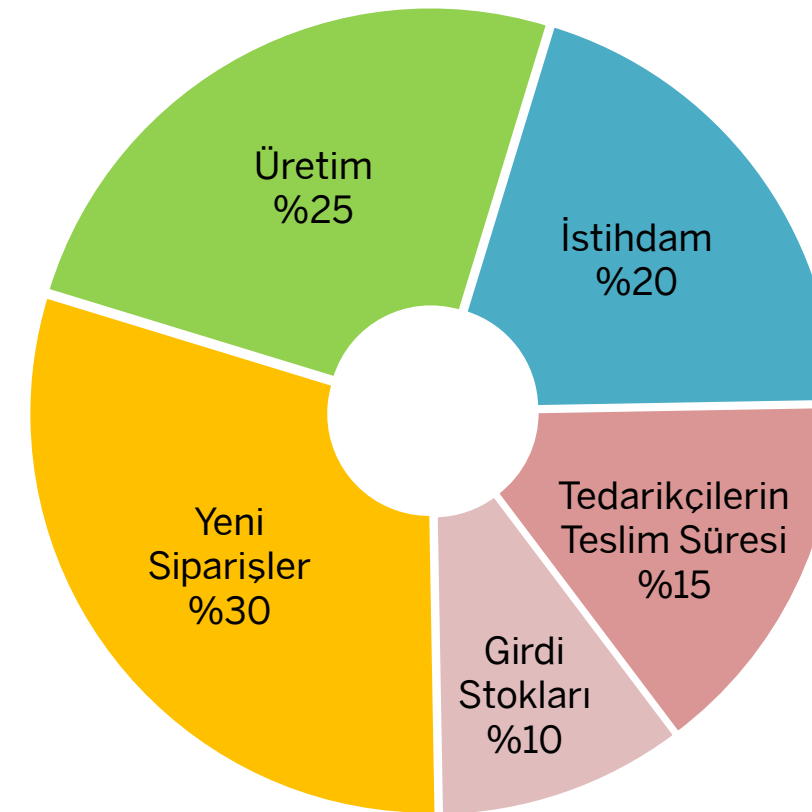
Index Interpretation

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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