

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

PMI ticks up to 47.8 in August

August 2024 Key findings:

- New orders moderate for fourteenth month in a row
- Production scaled back to largest extent since November 2022
- Selling price inflation quickens to four-month high

Summary

Subdued demand conditions remained a feature of the Turkish manufacturing sector midway through the third quarter of the year. Although new orders softened to a lesser extent than in July, the pace of moderation was still solid and led firms to scale back output, employment and purchasing activity. Moreover, stocks of inputs were reduced to the largest degree in just over a year. Meanwhile, input costs continued to rise sharply and manufacturers increased their output prices at a faster pace than in the previous month.

The headline Istanbul Chamber of Industry Türkiye Manufacturing PMI® is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

Any figure greater than 50.0 indicates overall improvement of the sector.

The headline PMI posted 47.8 in August, up from 47.2 in July but still signalling a moderation in the health of the sector during the month. Business conditions have softened continuously since April.

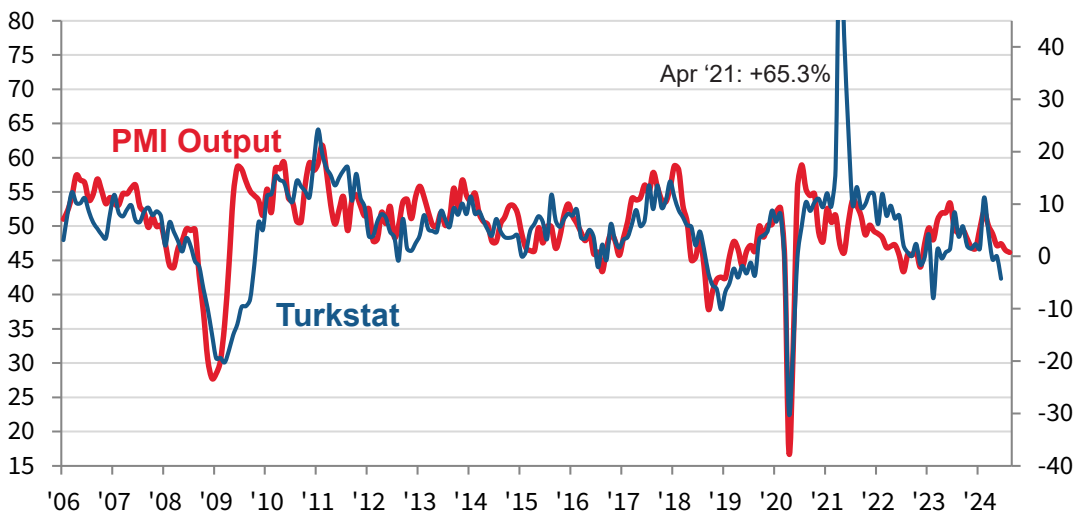
Challenging market conditions led to a further softening of new orders in August, the fourteenth in as many months. The rate of moderation was solid, despite easing to the weakest since May. The picture for international demand was more positive, with new export orders returning to growth for the first time since June 2023.

With overall demand conditions remaining subdued, firms scaled back their production, employment

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) September 2 2024

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

and purchasing activity in August. Price pressures exacerbated the slowdown in production, which was the most pronounced since November 2022.

Input costs continued to rise at a marked pace, albeit one that was slightly softer than in July. Currency weakness was the principal factor leading to higher input prices, while there were also reports of increases in costs for raw materials and logistics.

In response to higher input costs, manufacturers raised their own selling prices. Moreover, the rate of inflation quickened for the second month running to the fastest since April.

Manufacturers displayed a reluctance to hold inventories at a time of subdued new orders, reducing their holdings of both purchases and finished goods during August. Furthermore, the drop in stocks of purchases was the strongest since July 2023.

Comment

Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing PMI survey data, Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

"Turkish manufacturers again struggled to generate new order growth during August, despite some encouraging signs with regards to exports. The subdued overall demand picture led to further scaling back of production, employment and purchasing, with firms also showing a reluctance to hold inventories. Hopefully, the nascent recovery in exports seen in August will solidify in the months ahead and spread more widely to help the sector move into recovery mode."

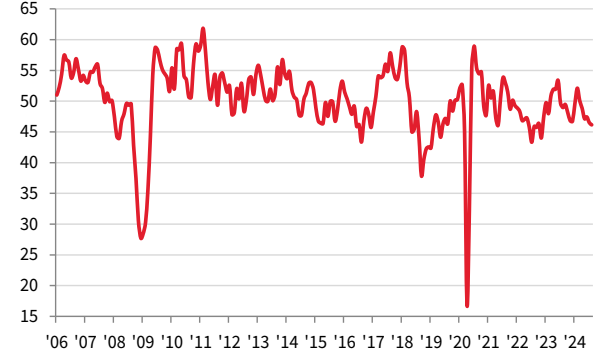
Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

Output Index

Q. Please compare your production/output this month with the situation one month ago.

As has been the case in each month since April, Turkish manufacturing production softened during August. Moreover, the solid moderation in output was the most pronounced in 21 months. Challenging economic conditions, rising prices and weak demand were the main factors leading firms to scale back production.

sa, 50 = no change on previous month

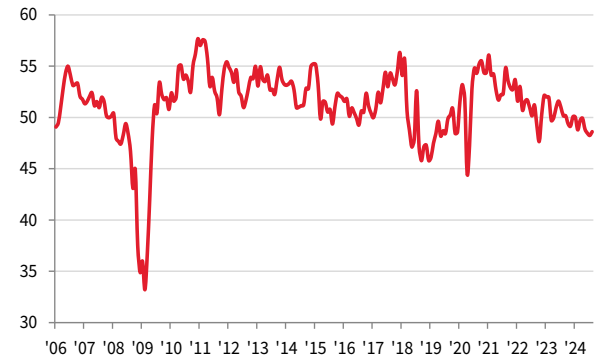


Employment Index

Q. Please compare the level of employment at your unit this month with the situation one month ago.

Turkish manufacturers continued to scale back employment in August, thereby extending the current sequence of reduction to seven months. Some firms reported that softer new orders led them to moderate workforce numbers, while others mentioned resignations. Staffing levels softened to a modest extent, and one that was the least marked in three months.

sa, 50 = no change on previous month



For further information, please contact:

Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance
Department Mng.

Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

S&P Global Market Intelligence

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: andrew.harker@spglobal.com

Sabrina Mayeen, Corporate Communications

Telephone +44 (0) 7967 447030

Email: sabrina.mayeen@spglobal.com

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

Istanbul Chamber of Industry

Driving strength from her members' contributions to Turkish economy and since her foundation in 1952, Istanbul Chamber of Industry (ICI) stands out as Türkiye's largest chamber of industry and one of the most powerful representatives of Turkish industry. The added value generated by ICI members represents more than 40% of the total added value propagated by Turkish industry. ICI members actualize approximately 35% of production of Turkish industry. 36% of Türkiye's Top 500 Industrial Enterprises consists of ICI members.

ICI promotes the sustainable development of Turkish industry and contributes the improvement of her competitiveness via offering innovative services to her members. For this purpose, she develops new projects and services to the use of industrialists in crucial fields such as; innovation, technology development, university-industry cooperation, vocational training, international relations, environment and energy with local and international partnerships.

Generating and conducting economic researches together with gathering data, ICI holds the widest knowledge on Istanbul industry whilst giving direction to Turkish industrialists and providing intense contribution for shaping economic and industrial policies.

About S&P Global:

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

About PMI:

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

Notes to Editors:

The Istanbul Chamber Of Industry Türkiye Manufacturing PMI® (Purchasing Managers' Index) is produced by S&P Global. The report features original survey data collected from a representative panel of around 400 companies based in the Turkish manufacturing sector. The panel is stratified by GDP and company workforce size, based on the industry contribution to GDP.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact economics@spglobal.com.

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

August data were collected 12-22 August 2024.

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.