

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

PMI rises to 48.3 in November

November 2024 Key findings:

- Renewed increase in employment
- Softer moderations in output and new orders
- Weakest rise in output prices for almost five years

Summary

Although business conditions remained challenging in the Turkish manufacturing sector during November, there were signs of improvements in demand over the course of the month. Both output and new orders moderated to lesser extents, while employment returned to growth. Firms were helped by a further easing of inflationary pressures, with output prices increasing at the softest pace since December 2019.

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.

Although the headline PMI posted below the 50.0 mark for the eighth month running in November, at 48.3 the latest reading was up from 45.8 in October and pointed to the least marked moderation of business conditions since May.

The rise in the headline index reflected tentative signs of demand improvement midway through the final quarter of the year. Although firms continued to face challenges securing new business, rates of moderation in both total new orders and new export business eased from October.

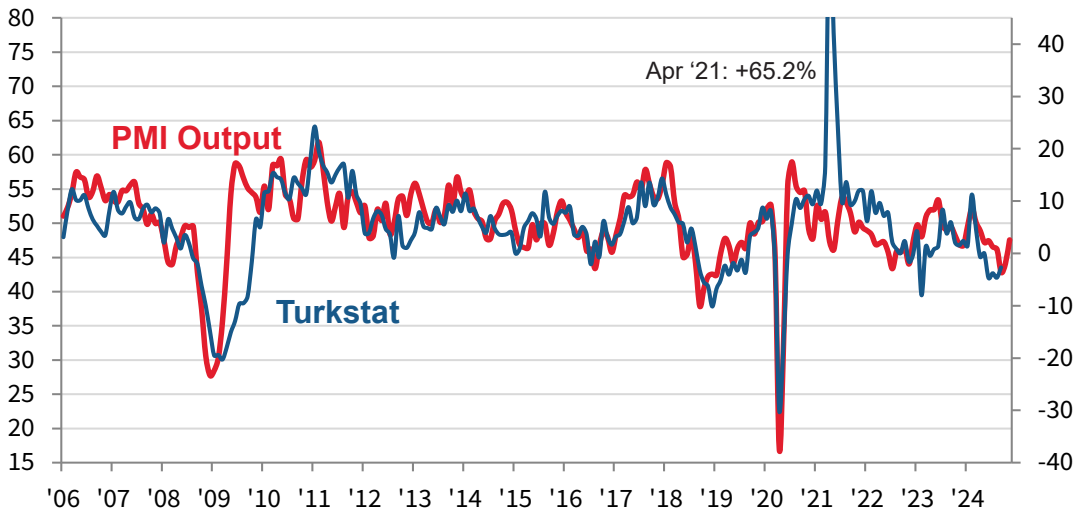
Similarly, production was scaled back to a much lesser extent in November, with the latest easing of output the least marked since April.

The main positive from the latest survey was a

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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renewed increase in employment, ending a nine-month period of moderation. Although slight, the pace of job creation was the sharpest since July 2023.

Manufacturers were helped to some extent by waning inflationary pressures. The rate of input cost inflation eased for the fourth consecutive month and was at a two-year low. Where input prices increased, this was linked to higher raw material costs and currency weakness.

The pace at which firms increased their output prices also softened and was the slowest in almost five years.

Input buying and stocks of purchases moderated, but to lesser degrees than in October. In contrast, stocks of finished goods were scaled back to the largest extent since December 2021.

Surveyed firms indicated a second consecutive monthly lengthening of suppliers' delivery times, which was sometimes linked to geopolitical tensions.

Comment

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

"There were definite signs of improvement in the Turkish manufacturing PMI data for November, with output and new orders moderating to much lesser extents than in October. In fact, the latest figures are consistent with increases in official manufacturing production data, based on the historical relationship with the PMI.

"The most positive aspect of the survey was a renewed rise in employment, suggesting that firms are confident of increases in workloads and the subsequent need for additional staff in the months ahead.

"A waning inflationary environment likely played a role in the improvements seen in November, with the slowest increase in output prices for five years enticing some customers to make new orders. These inflation trends will hopefully continue in the months ahead, helping to stimulate demand further."

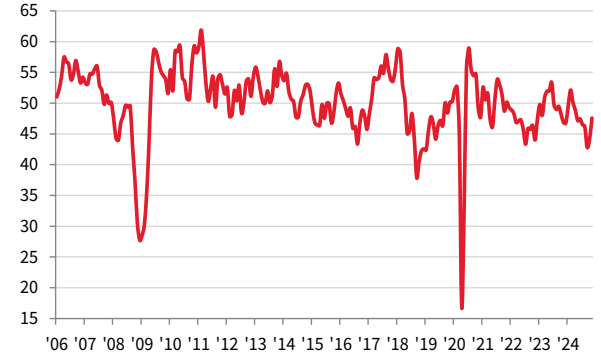
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Output Index

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

Although Turkish manufacturing output continued to soften in November, the eighth consecutive monthly slowdown was much less pronounced than in October and the weakest since April. Where production eased, panellists linked this to an ongoing moderation in new orders, but there were some signs of demand conditions improving.

sa, 50 = no change on previous month

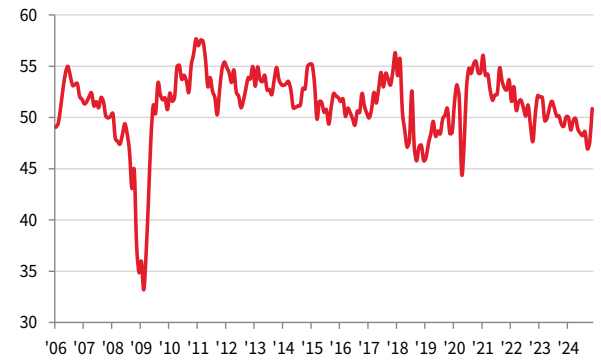


Employment Index

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

Employment returned to growth in November, thereby ending a nine-month sequence in which staffing levels had been scaled back. The rate of job creation was slight but the most pronounced since July 2023. Some respondents indicated that they had taken on extra staff in response to signs of improving demand conditions.

sa, 50 = no change on previous month



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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.

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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.

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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.

November data were collected 12-22 November 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.

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