

## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

# PMI rises to 52.0 in November

### November 2021 Key findings:

- Output and employment increase
- Slowdown in new orders
- Record rise in selling prices amid strong cost pressures

### Summary

The latest PMI® survey data from Istanbul Chamber of Industry and IHS Markit signalled a slight increase in output in the manufacturing sector during November, despite signs that inflationary pressures and supply-chain disruption impacted negatively on demand during the month. Manufacturers raised their selling prices at the sharpest pace on record in response to a marked acceleration of input cost inflation, in turn largely reflective of currency weakness.

The headline Istanbul Chamber of Industry Turkey 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.

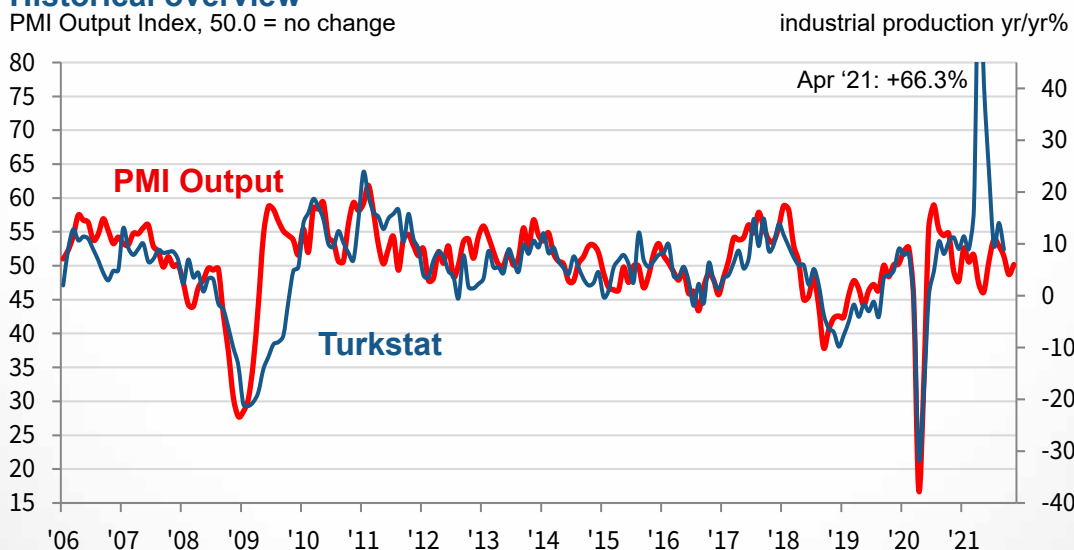
The headline PMI posted 52.0 in November, up from 51.2 in October and signalling an improvement in business conditions for manufacturers for the sixth successive month.

The improvement in operating conditions in part reflected a return to growth of output, which increased marginally following a slowdown in October. Production was supported by a further rise in employment, with job creation now having been recorded in each month during the past year-and-a-half.

There were further signs of weakness in new orders, however, with total new business slowing for the second month running despite continued growth of new export orders. Where new business eased, panellists linked this to price rises, shortages of electronic components and issues in the automotive

### Historical overview

PMI Output Index, 50.0 = no change



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) December 1 2021

## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

sector.

Input costs increased at a substantial pace during November, with the rate of inflation accelerating sharply to the fastest since September 2018. Anecdotal evidence suggested that the latest rise in costs was due to weakness of the Turkish lira. In turn, manufacturing firms raised their own selling prices at the steepest pace in the 16-and-a-half year survey history.

Meanwhile, suppliers' delivery times lengthened to the greatest extent since April 2020 amid ongoing challenges sourcing raw materials and issues with transportation.

With price rises and supply-chain disruption continuing, firms made further efforts to temper the impacts by expanding their input buying and stocks of purchases. That said, the respective rates of expansion eased amid a slowdown in new orders.

### Comment

Commenting on the Istanbul Chamber of Industry Turkey Manufacturing PMI survey data, Andrew Harker, Economics Director at IHS Markit, said:

*"While the Turkish manufacturing sector overall remained in growth territory in November, firms are coming under increasing pressure from sharply rising costs as currency weakness exacerbates already high raw material prices. In turn, factory gate prices were raised at the fastest pace on record, contributing to a dimming of new orders. If firms are to gain some respite from these pressures in the coming months they will need to see some stabilisation in the lira."*

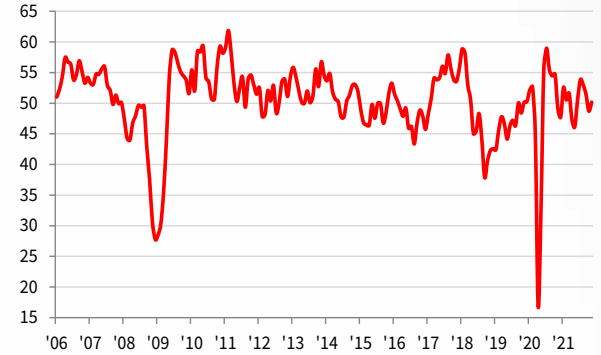
## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

### Output Index

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

Turkish manufacturing output ticked up in November, rising for the fifth time in the past six months but at a pace that was only fractional. While some firms increased output in response to customer demand, others signalled that signs of waning new orders and price pressures had restricted production growth.

sa, 50 = no change on previous month

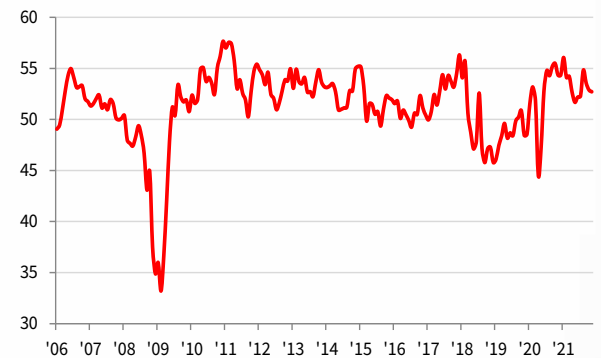


### Employment Index

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

Efforts to increase capacity and expand production were behind a further rise in staffing levels midway through the final quarter. Employment has risen on a monthly basis throughout the past year-and-a-half. The rate of job creation remained solid in November, but eased for the third month running.

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](mailto:nakcay@iso.org.tr)

#### **IHS Markit**

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: [andrew.harker@ihsmarkit.com](mailto:andrew.harker@ihsmarkit.com)

Joanna Vickers, Corporate Communications

Telephone +44 207 260 2234

Email: [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

# Istanbul Chamber of Industry Turkey 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 Turkey'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 Turkey'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 IHS Markit:

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2021 IHS Markit Ltd. All rights reserved.

## 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.

[ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html)

## Notes to Editors:

The Istanbul Chamber Of Industry Turkey Manufacturing PMI® (Purchasing Managers' Index) is produced by IHS Markit. 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.

IHS Markit 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 IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.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 12-23 November 2021.

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 Istanbul Chamber of Industry Turkey Manufacturing PMI® provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Istanbul Chamber of Industry uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.