

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

# July sees PMI post 47.2

### July 2024 Key findings:

- Slowdowns in new orders and exports
- Output scaled back to largest extent since November 2022
- Employment softens for sixth month running

### Summary

Turkish manufacturers continued to face challenging market conditions as the second half of the year began. Demand weakness led to a further moderation of new orders, with production and employment following suit. Meanwhile, firms continued to experience supply-chain delays and saw rates of input cost and output price inflation tick higher from the position in June.

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 reading decreased for the fifth consecutive month in July, posting 47.2 from 47.9 in June. As such, the index signalled a solid slowdown in business conditions in the sector, and one that was the most pronounced since last November.

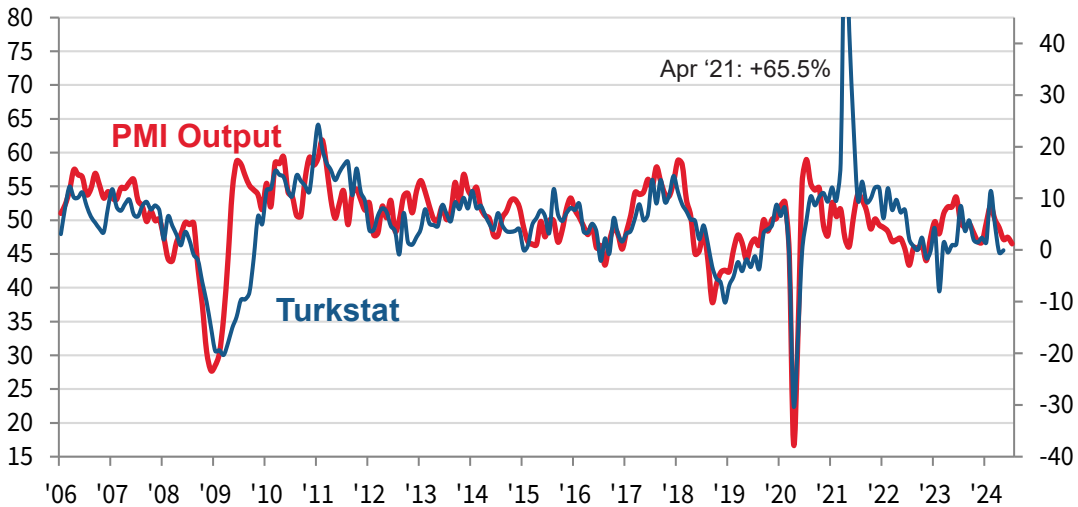
Central to the latest moderation in the health of the sector was a marked softening of new orders amid challenging market conditions. In fact, new business moderated to the joint-largest extent in 20 months, equal with that seen in November 2023. New export orders also slowed to a greater degree at the start of the third quarter.

Muted demand conditions led manufacturers to scale back production for the fourth month running, and at the fastest pace since November 2022. Shortages

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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of workers also reportedly impacted negatively on production volumes.

Employment levels also eased in line with softer new orders, but the slowdown was also reflective of staff resignations and retirements. The moderation of workforce numbers was the most marked in 21 months.

Input costs were up sharply in July, reflecting higher prices for raw materials and oil, as well as weakness of the lira against the US dollar. The rate of inflation quickened from June, as was the case with selling prices. That said, the rise in charges was still relatively muted.

Meanwhile, suppliers' delivery times lengthened again amid difficulties sourcing raw materials and high transportation costs.

Purchasing activity was scaled back markedly, and to the largest degree since November 2022. Meanwhile, stocks of both purchases and finished goods also moderated.

### 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 was little sign of any respite for Turkish manufacturers in July as demand conditions remained challenging. If anything, the start of the second half of the year saw an intensification of pressures, with demand, production and employment all moderating to greater degrees than in June. Firms will be hoping for a turnaround in conditions soon."*

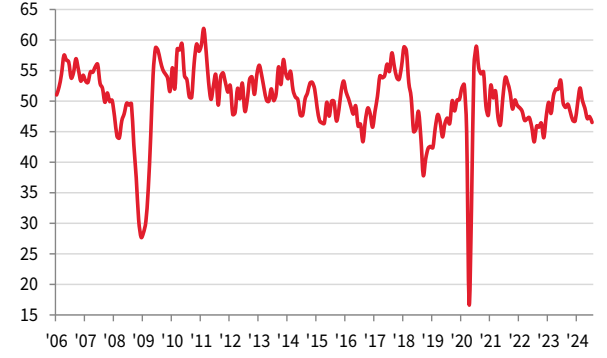
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### Output Index

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

Turkish manufacturers posted a further slowdown in output during July, extending the current sequence of moderation to four months. Moreover, the latest easing of production was the most pronounced since November 2022. Anecdotal evidence suggested that weak demand was the principal factor behind lower output, with shortages of workers also mentioned.

sa, 50 = no change on previous month

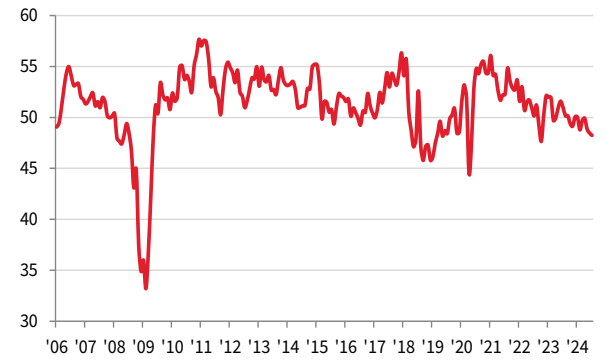


### Employment Index

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

A response to softer new orders, resignations and retirements all contributed to a further scaling back of workforce numbers at the start of the third quarter. Employment eased for the sixth consecutive month. Although modest, the latest moderation was the most marked since October 2022.

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)

#### **S&P Global Market Intelligence**

Andrew Harker, Economics Director

Telephone +44 1491 461 016

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

Sabrina Mayeen, Corporate Communications

Telephone +44 (0) 7967 447030

Email: [sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

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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.

## 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](http://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](http://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](mailto: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.

July data were collected 11-24 July 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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