

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

# December sees PMI rise to 49.1

### December 2024 Key findings:

- Softest moderation in production in nine months
- Rates of slowdown in new orders and purchasing also ease
- Slowest pace of output price inflation in more than five years

### Summary

The Turkish manufacturing sector neared stabilisation in December as rates of moderation in output, new orders, purchasing and inventories all softened over the course of the month. Less positive was a renewed scaling back of employment, following a rise in November. Meanwhile, input costs increased markedly, but the rate of output price inflation eased to the weakest in just over five years.

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 rose to 49.1 in December from 48.3 in November, pointing to only a slight moderation in the health of the manufacturing sector and one that was the least pronounced in eight months.

The move towards stabilisation in overall business conditions in the sector was consistent with the picture across a range of variables in the latest survey.

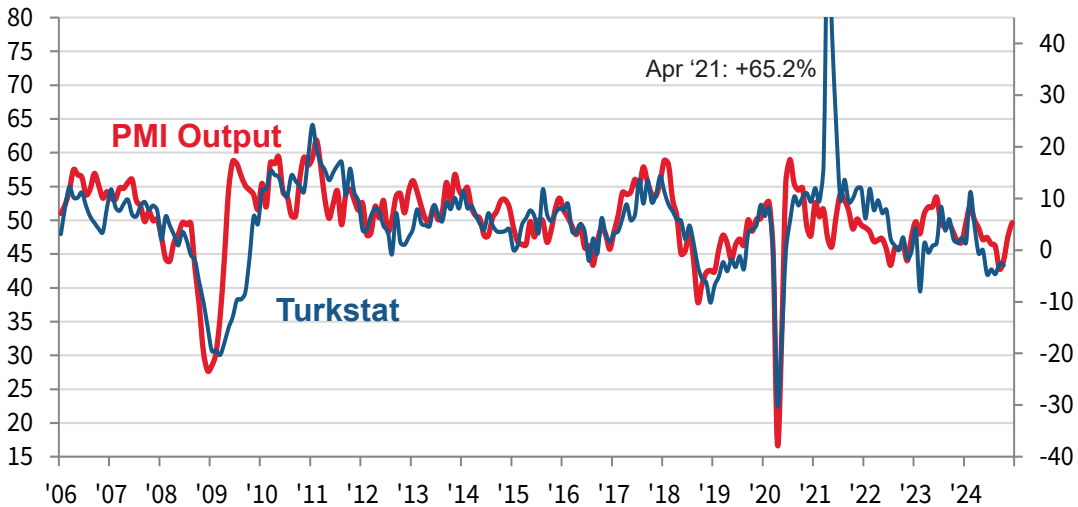
Production was scaled back only marginally and to the least extent in the current nine-month sequence of slower output, amid some signs of demand improving.

New orders continued to moderate overall, however, as demand remained subdued. Although still solid, the latest easing of new business was the least

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) January 2 2025

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marked since last April. Similarly, new export orders also moderated to a lesser extent at the end of the year.

With new order inflows remaining muted, manufacturers scaled back their purchasing activity, inventory holdings and employment, the last of which easing following a rise in November. In all cases, however, rates of slowdown were only marginal.

Input costs increased at a marked pace in December, linked to higher raw material prices and weakness of the lira against the US dollar. The pace of inflation was a three-month high but much weaker than the average for 2024 as a whole.

Meanwhile, the pace of output price inflation was only slight, having eased to the weakest in just over five years. While some firms increased charges in response to higher raw material costs, others offered discounts to customers as part of efforts to secure sales.

### Comment

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

*"The final set of PMI data for Türkiye in 2024 provided plenty of hope for the sector in 2025. While business conditions continued to moderate, the latest slowdown was only marginal as signs of improvement were seen in a range of variables across the survey. If this momentum can be built on at the start of 2025, we could see the sector return to growth."*

*"The prospects for the sector should be helped by a much more benign inflationary environment than has been the case in recent years. Output prices rose only slightly in December, and to the least extent in just over five years."*

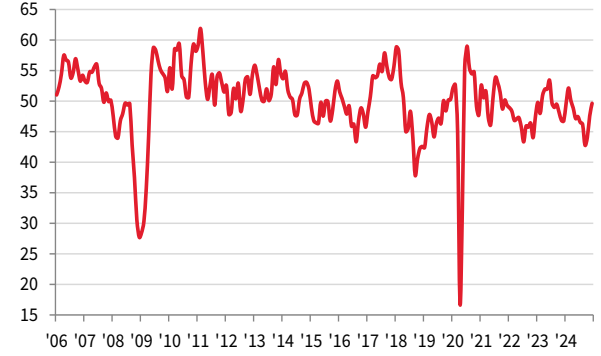
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### Output Index

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

Turkish manufacturing production neared stabilisation in the final month of 2024, moderating only fractionally and to the least extent in the current nine-month period of slowing output. Although some firms scaled back production in response to subdued new order inflows, others reported that signs of improvement in demand had encouraged them to increase output.

sa, 50 = no change on previous month

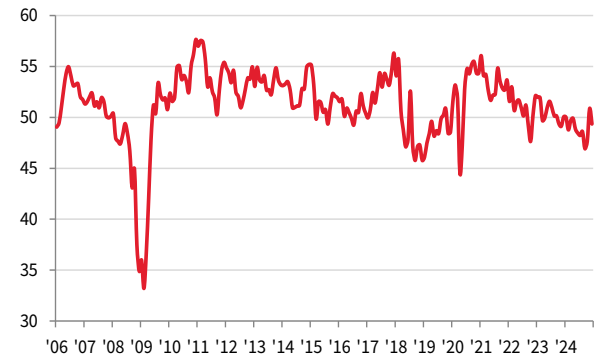


### Employment Index

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

After having risen for the first time in almost a year in the previous month, employment was scaled back marginally in December. While some firms increased staffing levels in order to support production, this was outweighed by those that reduced workforce numbers in response to muted demand.

sa, 50 = no change on previous month



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# 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](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.

December data were collected 05-16 December 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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