



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

February 2024

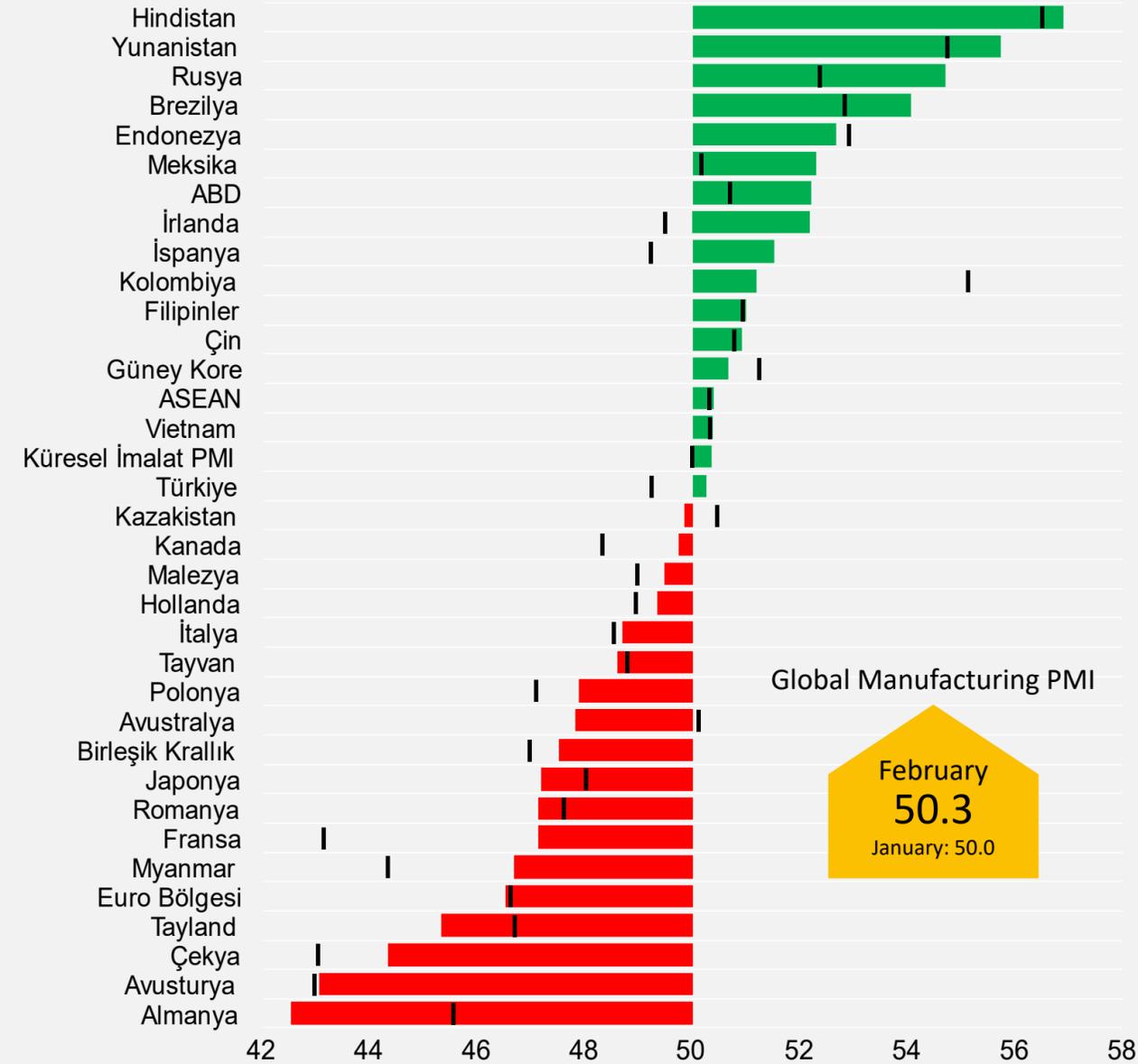




General Outlook

İmalat PMI, Şubat 2024

(>50 = Geçen aya göre iyileşme)



Output increases for the second month in a row; orders started to grow again.

- The Global Manufacturing Purchasing Managers Index® (PMI) continued to signal recovery in the sector, rising to 50.3 in February from 50.0 in January, above the 50.0 nochange mark for the first time since August 2022.
- Of the 32 nations for which Global PMI data are available, 17 posted below the 50 nochange mark, signalling a contraction in the industry. On the other hand, this number decreased by 1 compared to January. Another positive development was the increase of the index in 25 countries compared to the previous month.
- Output grew for the second month in a row in February, while new orders increased for the first time in the last 20 months. Although new export orders continued to decline, it was the lowest decline since June 2022. Job creation also slowed down in parallel with these developments.
- Supply chain pressures varied from region to region, but generally showed signs of easing. Input and product price inflation increased at rates similar to January.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI posted 50.2 in February up from 49.2 in January. Growth was recorded in output for the first time in the last 8 months, while the drop in new orders slowed down significantly. On the other hand, suppliers' delivery times continued to extend. Inflationary pressures remained high due to cost pressures.

Source: S&P Global PMI.

Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.

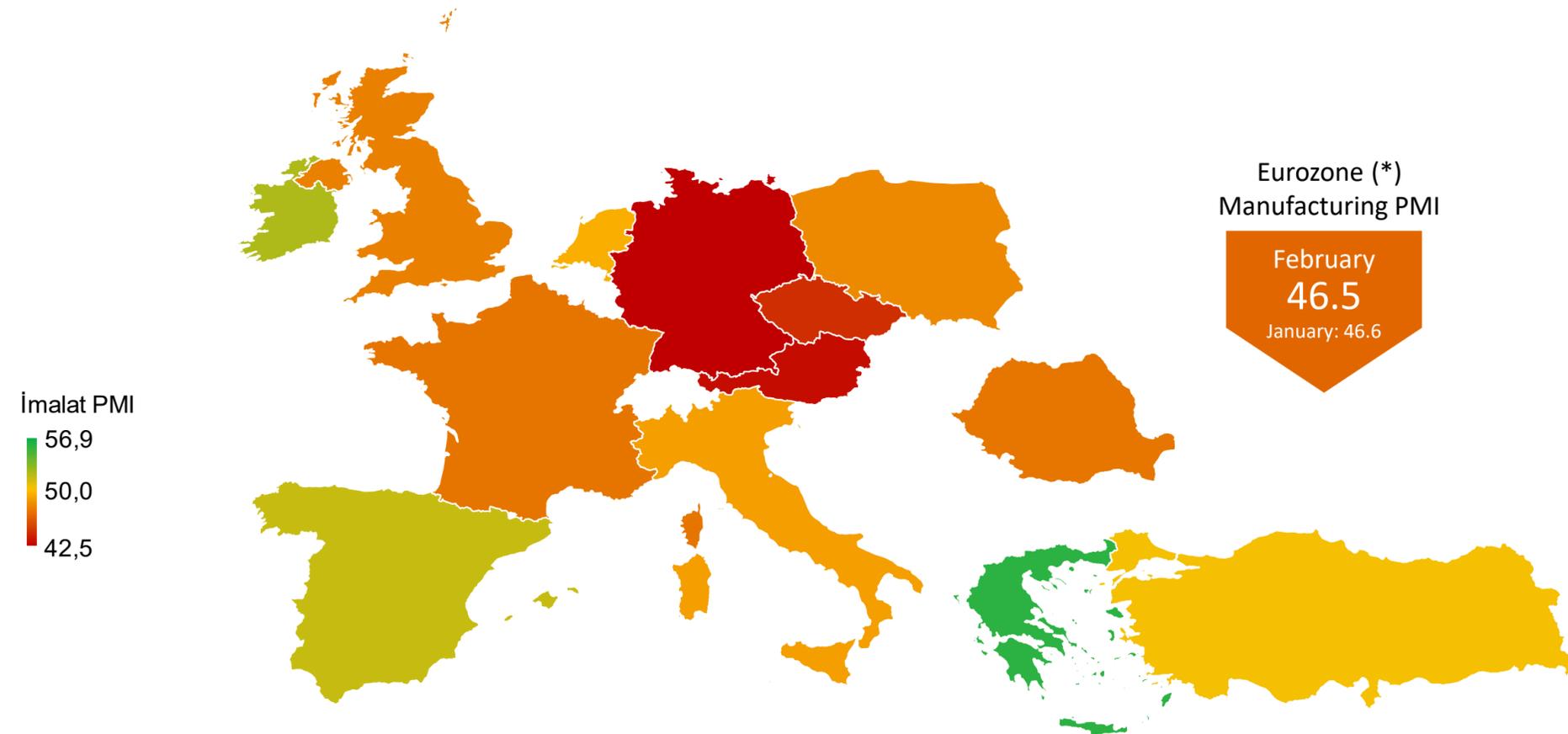
(*) As of February 2024, Romania has been included among the countries monitored under the Manufacturing PMI survey.



Europe

Despite the ongoing contraction in output, forward-looking indicators give positive signals.

- Eurozone Manufacturing PMI decreased by 0.1 point to 46.5 in February. It was mainly caused by the 3-point decrease in Germany. Although output in the region continued to decrease at a pace close to January, the decrease in new orders and purchases was the slightest in the last year, giving a positive signal for the coming months.
- In the Eurozone, Greece maintained its strong growth pace. Ireland and Spain were also in the growth zone in February. Austria and Germany maintained negative differentiation. In other regional countries, Manufacturing PMI remained below the 50 threshold value, but increased compared to January.
- In the United Kingdom, output continued to contract due to weak demand and the crisis in the Red Sea, and a general increase in prices was observed.
- In Eastern Europe, the manufacturing sector in the Czech Republic, Poland and Romania continued to contract, albeit at a lighter rate than in January.



Manufacturing PMI	January 2024	February 2024
Greece	54.7	55.7
Ireland	49.5	52.2
Spain	49.2	51.5
Türkiye	49.2	50.2
The Netherlands	48.9	49.3
Italy	48.5	48.7
Poland	47.1	47.9
United Kingdom	47.0	47.5
Romania	47.6	47.1
France	43.1	47.1
Czech Republic	43.0	44.3
Austria	43.0	43.0
Germany	45.5	42.5

Source: S&P Global PMI.

(*) The countries included in the Euro Zone index: Germany, Austria, France, Italy, Ireland, Spain, the Netherlands and Greece.



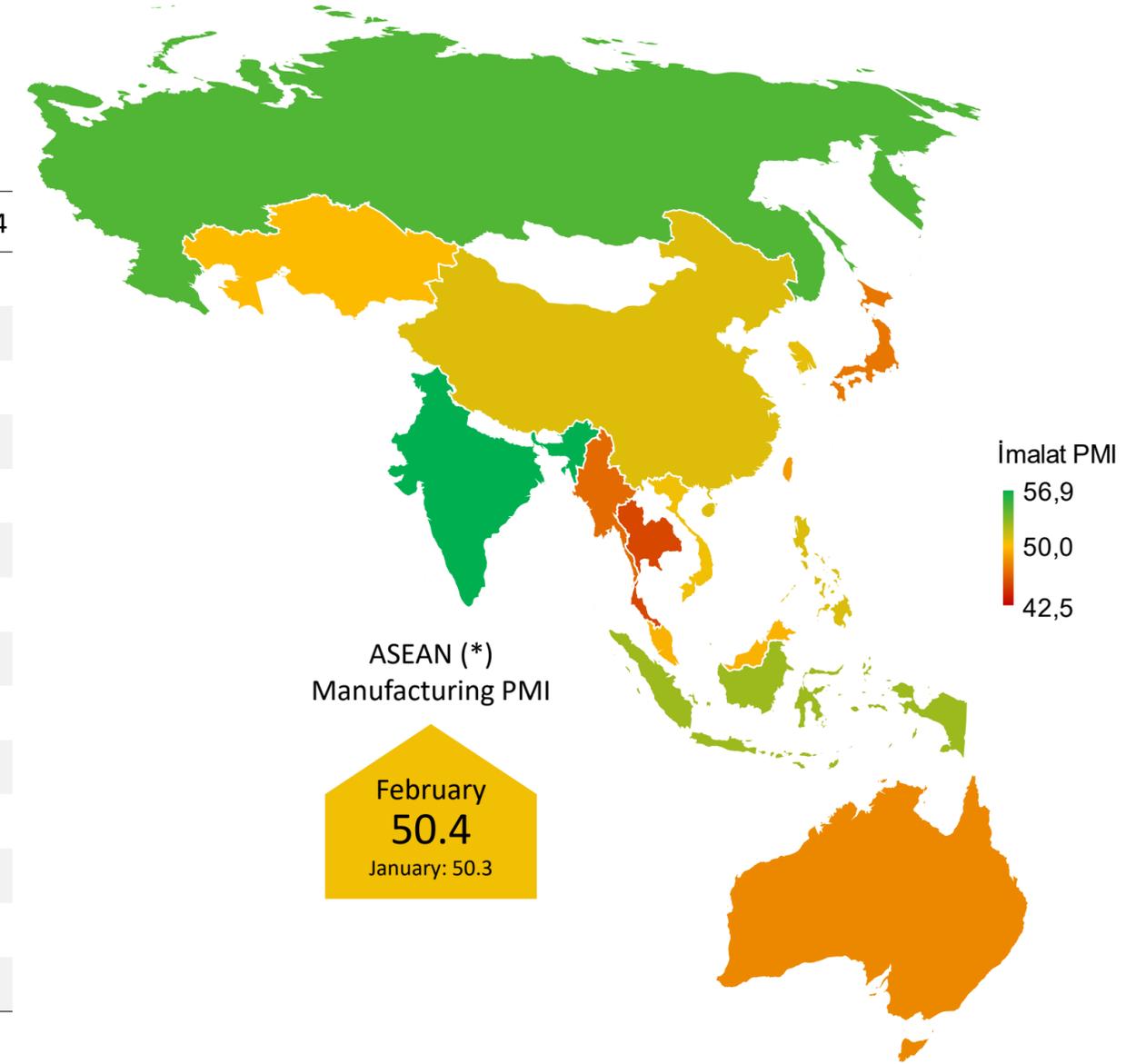
Asia-Pacific

Moderate growth in China; strong growth in India and Russia.

- Asia-Pacific economies continued to present a mixed outlook in terms of the manufacturing industry performance in February, while the strengthening demand conditions of Russia and India came to the fore.
- The moderate improvement in business conditions continued in China due to the slight acceleration in output and new orders.
- In Japan, weak domestic and foreign demand as well as increasing supply problems have deepened the deterioration in the manufacturing industry.
- Despite the deceleration in demand and output increases in South Korea, the industry remained in the growth zone for the second month in a row.
- India's exports increased at the fastest pace since May 2022, recording the strongest growth in output in the last 5 months.
- Despite the continuing decrease in output and orders in Taiwan, employment increased due to the improvement in expectations.
- Russia experienced the strongest order increase since 2011 and Manufacturing PMI reached its highest level in almost 7 years.
- The manufacturing industry in Australia shrank again due to the weakening demand following the recovery in January.
- Despite the drop in orders, the ASEAN region saw a slight increase in output and employment. Indonesia, the Philippines, Vietnam and Malaysia followed a similar performance to January, Myanmar and Thailand continued to get negative results.

Manufacturing PMI	January 2024	February 2024
India	56.5	56.9
Russia	52.4	54.7
Indonesia	52.9	52.7
Philippines	50.9	51.0
China	50.8	50.9
South Korea	51.2	50.7
Vietnam	50.3	50.4
Kazakhstan	50.5	49.8
Malaysia	49.0	49.5
Taiwan	48.8	48.6
Australia	50.1	47.8
Japan	48.0	47.2
Myanmar	44.3	46.7
Thailand	46.7	45.3

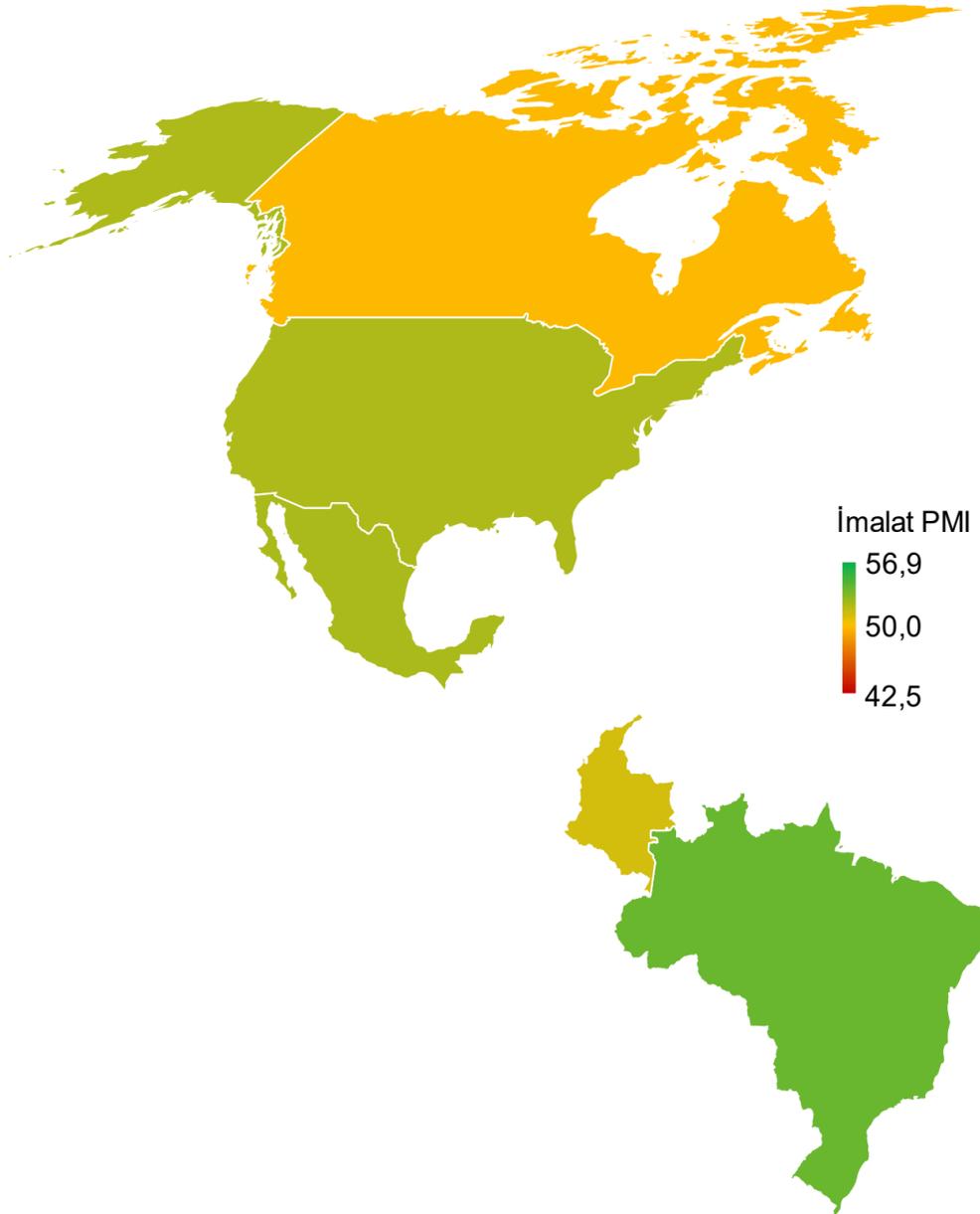
Source: S&P Global PMI.



(*) The countries included in the ASEAN PMI index: Indonesia, Philippines, Malaysia, Myanmar, Singapore, Thailand, Vietnam.



America



Manufacturing PMI	January 2024	February 2024
Brazil	52.8	54.1
Mexico	50.2	52.3
USA	50.7	52.2
Colombia	55.1	51.2
Canada	48.3	49.7

Source: S&P Global PMI.

Growth accelerated with the support of stronger demand in the USA, Brazil and Mexico.

- In February, the US manufacturing industry recorded the strongest recovery since July 2022. While new orders experienced the fastest increase in the last 21 months, cost inflation slowed down due to the easing in supply pressures. Still, the increase in sales prices accelerated.
- Although PMI remained below the 50 no-change mark in Canada, it rose to 49.7, signaling an end to the deterioration in the industry. The decrease in output and orders slowed down, while employment saw recovery.
- The growth rate of manufacturing industry output in Brazil reached its peak in the last 2.5 years, thanks to the significant improvement in sales. Thus, the headline PMI 2022 posted its highest value since April.
- In Mexico, where the manufacturing industry has been in the growth zone for the last 5 months, a recovery was observed in domestic demand and output after the slight decreases in January.
- In Colombia, business conditions in the manufacturing industry improved for the third consecutive month in February. However, compared to January, growth in output and new orders lost momentum.



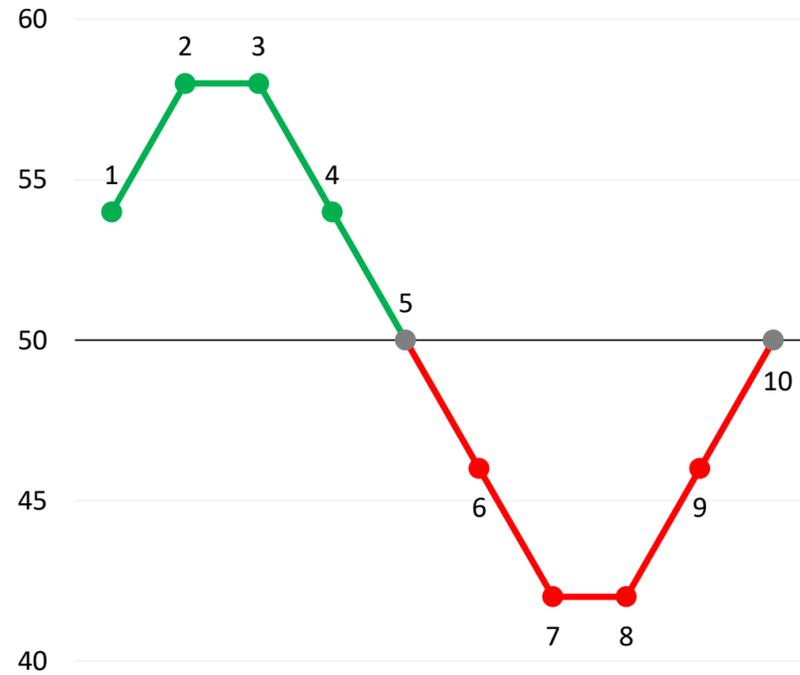
Methodology

What is PMI, how to interpret it?

- Purchasing Managers Index (PMI®) is a pioneer indicator produced by S&P Global and used for measuring the activity conditions of the respective economy/industry.
- Any figure greater than 50.0 indicates overall improvement, while the figures below 50.0 indicate deterioration.

Index Interpretation

50= no change on previous month



How is the manufacturing PMI calculated?

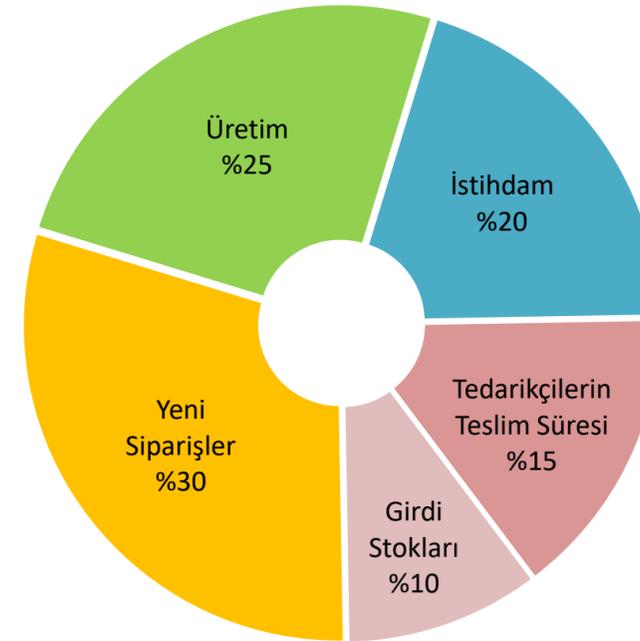
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

Why is PMI critical?

- Calculated by a set of methods in more than 40 countries^(*), PMI provides a fast, reliable, and comparable data set for the current activity conditions of the industries and economies.
- They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers.

(*) S&P Global produces PMI indexes for the manufacturing industry in a total of 32 countries, including Turkey. PMI indexes in other countries are composite indexes that also cover some non-manufacturing sectors. Therefore, for a smooth comparison by country, the scope of the presentation was limited to 32 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.

Manufacturing PMI Individual Index Weights





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