

Istanbul Chamber of Industry Turkey PMI™ Manufacturing Index

Turkish PMI rises to 49.7 in February

February 2017

Key findings:

- PMI highest since October 2016
- Output and employment both rise since January
- Input price inflation slows

Summary

The latest PMI™ survey data from Istanbul Chamber of Industry and IHS Markit for February pointed to a broad stabilisation of the Turkish manufacturing sector. Manufacturing output increased compared to previous month and Output Index rose to the highest level since January 2016. Employment rose for the sixth time in seven months. The new orders index remained below the no-change mark of 50.0 but climbed to its highest in four months. The latest survey data also signalled a further easing in the rate of input price inflation to the weakest since October last year.

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 PMI registered at 49.7 in February, up from 48.7 in January. The latest figure was above the 2016 average of 48.8.

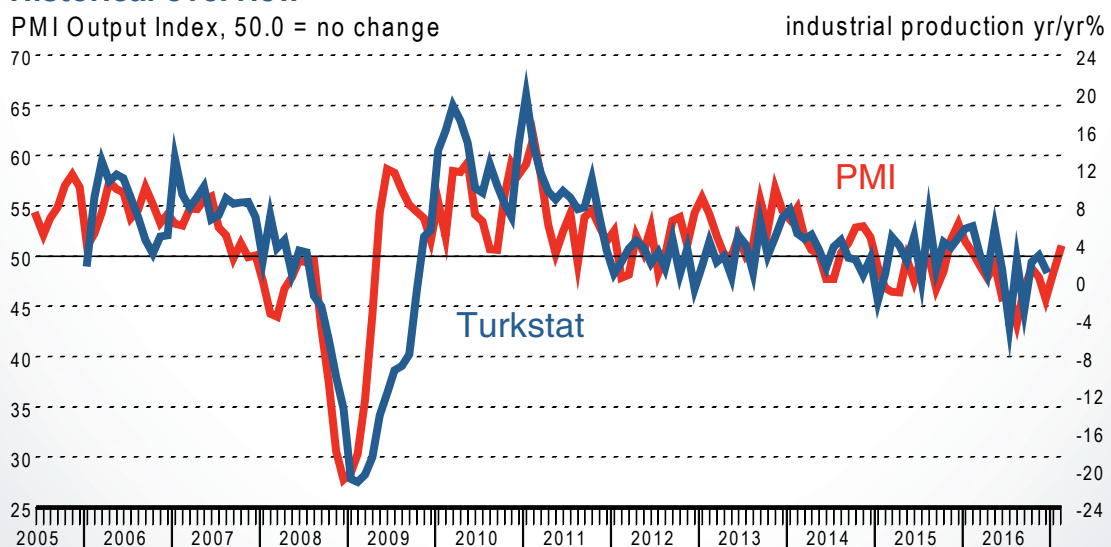
The rise in the headline PMI in February was primarily influenced by the seasonally adjusted output and employment indices both registering above 50.0, and also an uptick in the new orders index (though it remained below 50.0). There was also a mildly positive contribution from the suppliers' delivery times index.

The volume of new export business rose for the fifth time in seven months in February.

Employment in the goods-producing sector increased in February. This was the sixth time in seven months that the manufacturing workforce has expanded.

Latest data signalled that the Quantity of Purchases Index remained below the no-change mark of 50.0.

Historical overview



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) March 1 2017

TURKEY

Suppliers' delivery times continued to lengthen slightly.

The recent depreciation of the lira continued to exert upward pressure on manufacturing input prices in February. The rate of input price inflation remained sharp, but eased for the second month running to a four-month low. Meanwhile, output prices charged by manufacturers continued to rise, but at a weaker rate than in December and January.

Comment

Commenting on the Istanbul Chamber of Industry Turkey Manufacturing PMI survey data, Trevor Balchin, Senior Economist at IHS Markit, said:

"The Turkish PMI rose to 49.7 in February, signalling a near-stabilisation of the Turkish manufacturing sector. Encouragingly, output rose during the month and job creation resumed. The latest survey results also signalled weaker inflation than in recent months, although price pressures remained strong overall."

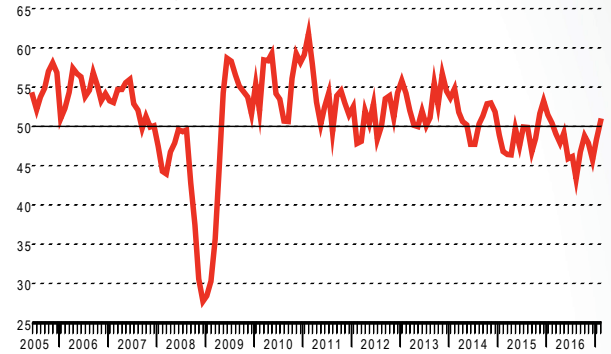
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Output Index

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

The seasonally adjusted Output Index rose above 50.0 in February, signalling growth in Turkish manufacturing output. The index was at the highest level since January 2016.

sa, 50.0 = no change on previous month

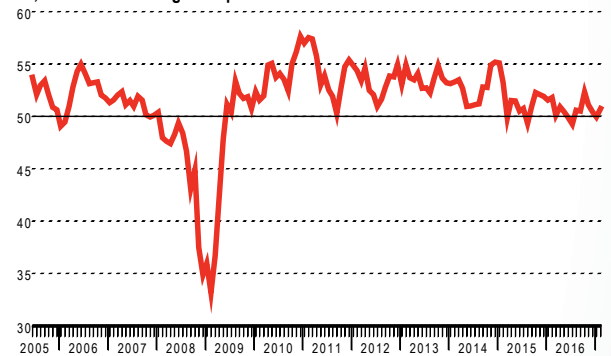


Employment Index

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

Survey data indicated an expansion in manufacturing employment in Turkey in February. Workforce growth has been registered six times in the past seven months.

sa, 50.0 = 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 Turkey's largest chamber of industry and one of the most powerful representatives of Turkish industry. The added value generated by ICI members represents about 36% of the total added value propagated by Turkish industry. ICI members actualize approximately 34% of production of Turkish industry. Almost 40% 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 (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge 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 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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About PMI:

Purchasing Managers' Index™ (PMI™) surveys are now available for over 30 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. To learn more go to www.markit.com/product/pmi.

Notes to Editors:

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

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 Markit. Please contact 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.

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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