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İSTANBUL  
SANAYİ ODASI

# Manufacturing PMI® Developments in the World

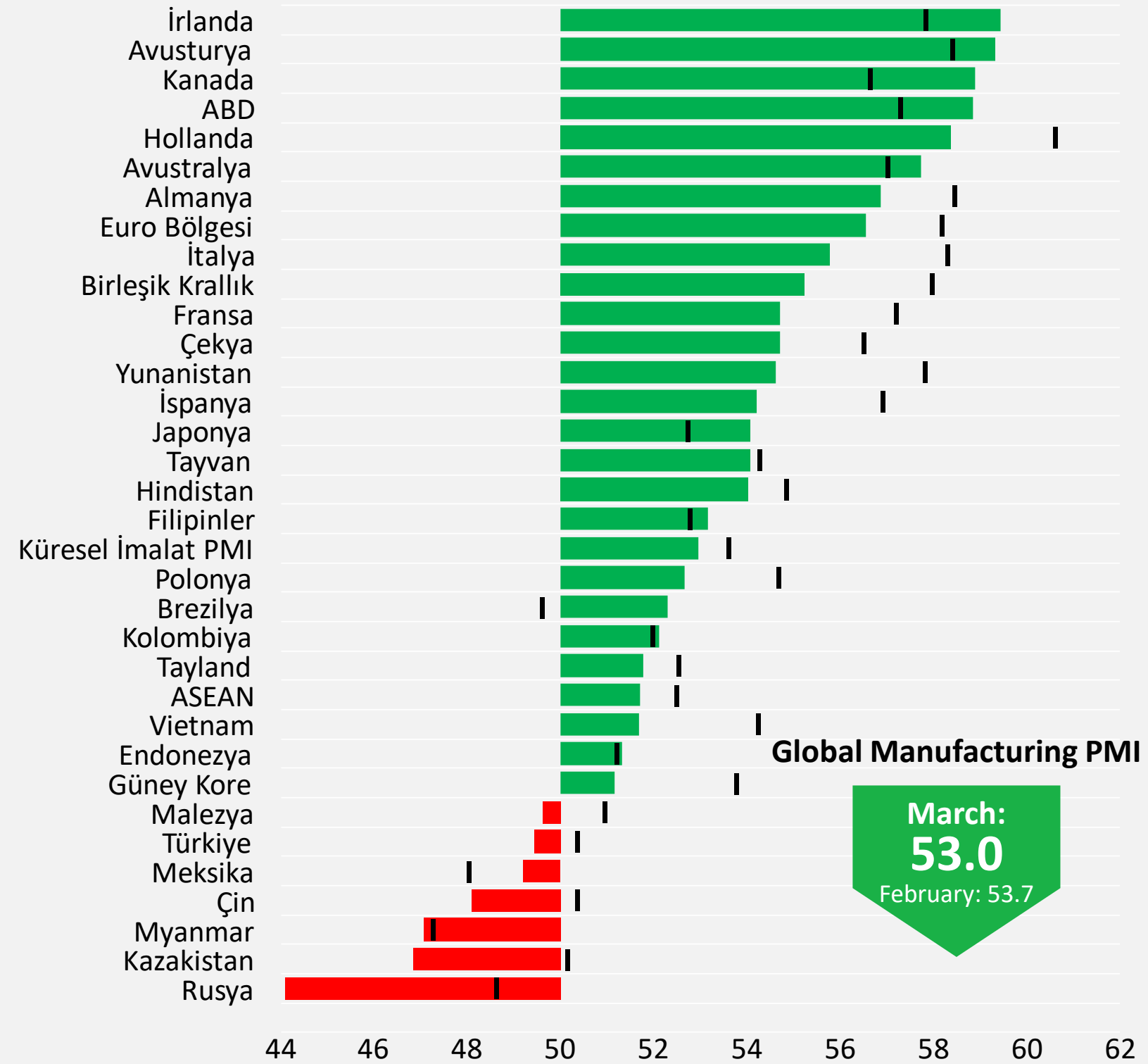
*March 2022*



# General Outlook

## İmalat PMI, Mart 2022

(>50 = Geçen aya göre iyileşme)



## Global Manufacturing PMI drops to an 18-month low in March.

- In March 2022, the Global Manufacturing Purchasing Managers' Index (PMI) dropped to 53, 0.7 points down compared to February, which is the lowest level of the last 18 month period.
- In 31 national economies where the Manufacturing PMI was calculated, the index was above the 50.0 no-change mark in March. However, growth decelerated in 14 of these 24 economies compared to February. Eurozone countries and North America differed positively from the rest of the world.
- The conflict in Ukraine, the biggest outbreak of COVID-19 in China in the past two years, and continuing problems related to supply chains created pressure on industrial activity in the first quarter.
- **Istanbul Chamber of Industry Türkiye Manufacturing PMI** posted 49.4 in March, down from 50.4 in February and below the 50.0 no-change mark for the first time in ten months. Price increases, fragile demand, and the Russia-Ukraine war led to a slowdown in output and new orders.

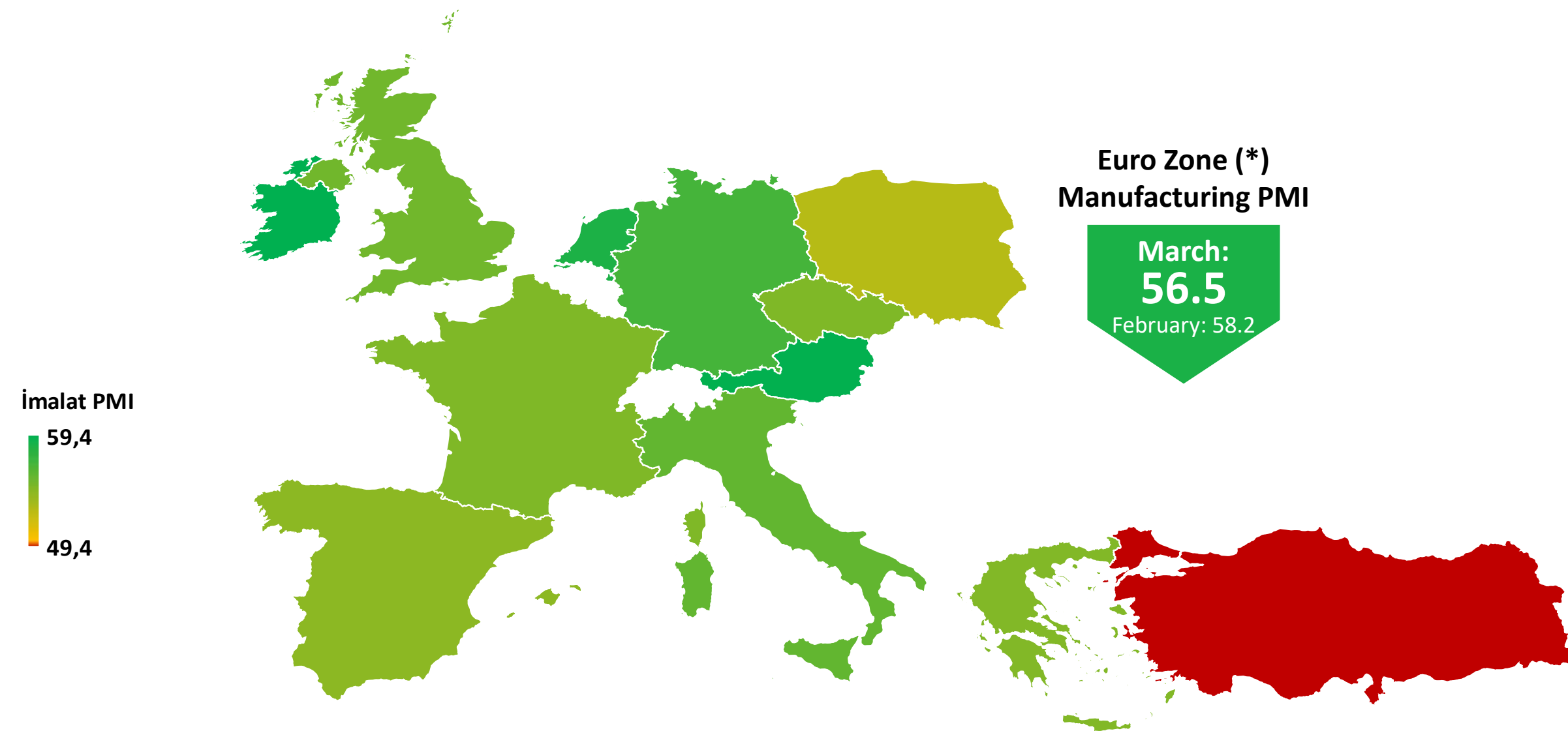
Source: S&P Global.

**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.

# Europe

## Increased inflation and geopolitical tension have slowed down the growth.

- Euro Zone Manufacturing PMI dropped 1.7 points in March to 56.5, the lowest level in the last 14 months. Although the pandemic slowdown supported the demand, the growth has slowed due to the war in Ukraine, sanctions, rising energy costs and supply constraints.
- The strongest improvement in activity conditions for the manufacturing industry was measured in Ireland and Austria. In the rest of the region, however, growth has lost momentum. While output, export orders and employment growth have slowed, supply delays have become apparent.
- The Manufacturing PMI dropped 2.8 points to 55.2 in the United Kingdom, the lowest since February 2021. Poland and Czech Republic, which remain outside the eurozone, also faced output losses and heavy supply chain problems due to the uncertainty caused by the war.



<b>Manufacturing PMI</b>	<b>February 2022</b>	<b>March 2022</b>
Ireland	57.8	59.4
Austria	58.4	59.3
The Netherlands	60.6	58.4
Germany	58.4	56.9
Italy	58.3	55.8
United Kingdom	58.0	55.2
France	57.2	54.7
Czech Republic	56.5	54.7
Greece	57.8	54.6
Spain	56.9	54.2
Poland	54.7	52.7
<b>Türkiye</b>	<b>50.4</b>	<b>49.4</b>

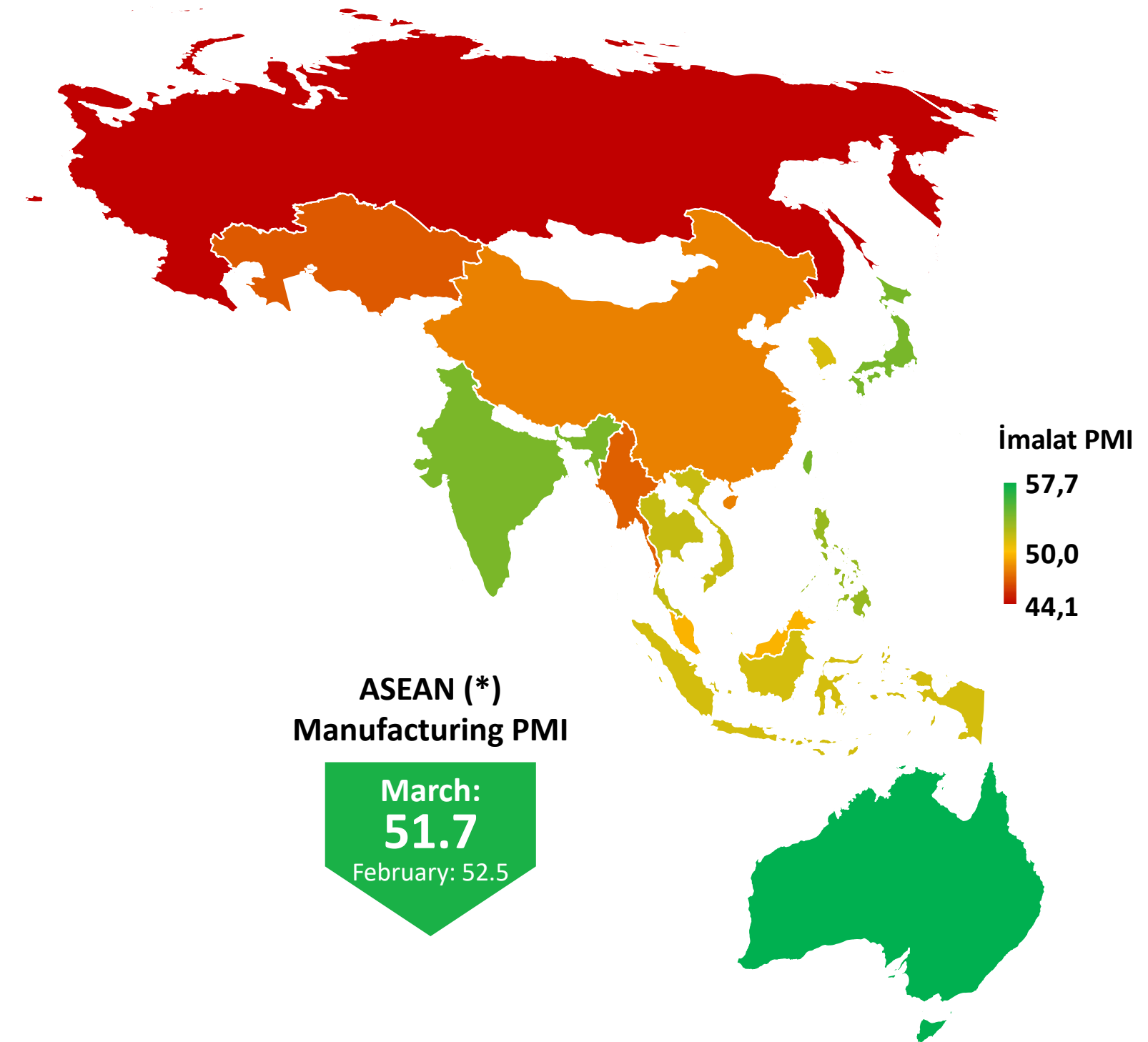
(\*) The countries included in the Euro Zone PMI index: Germany, Austria, France, Italy, Ireland, Spain, the Netherlands and Greece.

# Asia-Pacific

**International sanctions imposed on Russia and the COVID-19 measures tightened in China have negatively affected PMIs.**

- In most of the Asia-Pacific region, the Manufacturing PMI dropped compared to February. Australia, Japan and Taiwan shared the top three positions in the index.
- While the increased COVID-19 restrictions in China have taken a toll on manufacturing activities, leading to supply problems and price rises. Manufacturing PMI dropped to its lowest level to 48.1 since February 2020.
- Despite the war in Ukraine and Chinese export losses, Japan's manufacturing sector managed to accelerate its growth in March.
- The rising prices and supply chain problems in South Korea negatively affected the manufacturing industry, and the PMI saw its lowest value since November.
- Russia's Manufacturing PMI posted 44.1, the lowest value of the last two years caused by international sanctions applied due to its invasion of Ukraine.
- With the slowing demand and rising inflation, the ASEAN PMI dropped in March for the second consecutive month. Growth accelerated in Indonesia and the Philippines, while Malaysia moved into shrinkage zone.

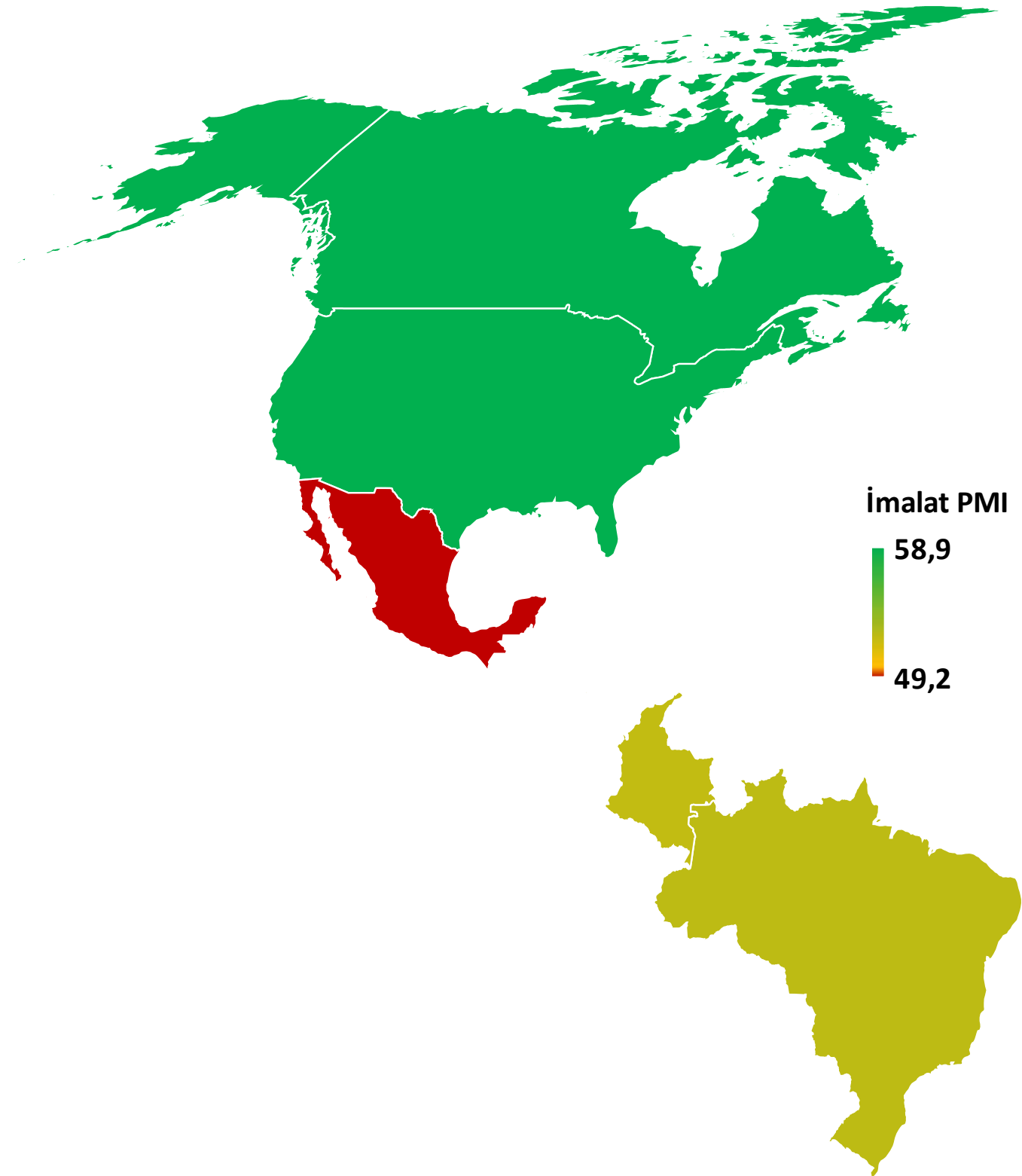
Manufacturing PMI	February 2022	March 2022
Australia	57.0	57.7
Japan	52.7	54.1
Taiwan	54.3	54.1
India	54.9	54.0
Philippines	52.8	53.2
Thailand	52.5	51.8
Vietnam	54.3	51.7
Indonesia	51.2	51.3
South Korea	53.8	51.2
Malaysia	50.9	49.6
China	50.4	48.1
Myanmar	47.3	47.1
Kazakhstan	50.1	46.8
Russia	48.6	44.1



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

# America

**The USA and Canada were positively separated, high inflationary pressure continued throughout the continent.**



Manufacturing PMI	February 2022	March 2022
Canada	56.6	58.9
USA	57.3	58.8
Brazil	49.6	52.3
Columbia	52.0	52.1
Mexico	48.0	49.2

In February, the US Manufacturing PMI rose to 58.8, the highest of the last six months, with a strong increase in output and new orders. The Russia-Ukraine war increased inflationary pressure, despite easing supply chain disruptions.

- In Canada, the Manufacturing PMI reached 58.9, the highest level of the data set that began in 2011. It saw quick output rise, but more supply constraints, and record high inflation in both input and product prices.
- In Mexico, the Manufacturing PMI continued to remain below 50 for the past 25 months, signalling a slighter shrinkage in March. The trend of drop in output and new orders and a sharp increase in prices continued.
- With the impact of the recovered demand in Brazil, output and employment moved back to the growth zone. However, price pressures have risen and geopolitical uncertainty has negatively affected expectations.
- Colombia showed a more positive performance compared to the first two months of the year. Despite the slight rise in output and new orders, inflationary pressures have eased down.





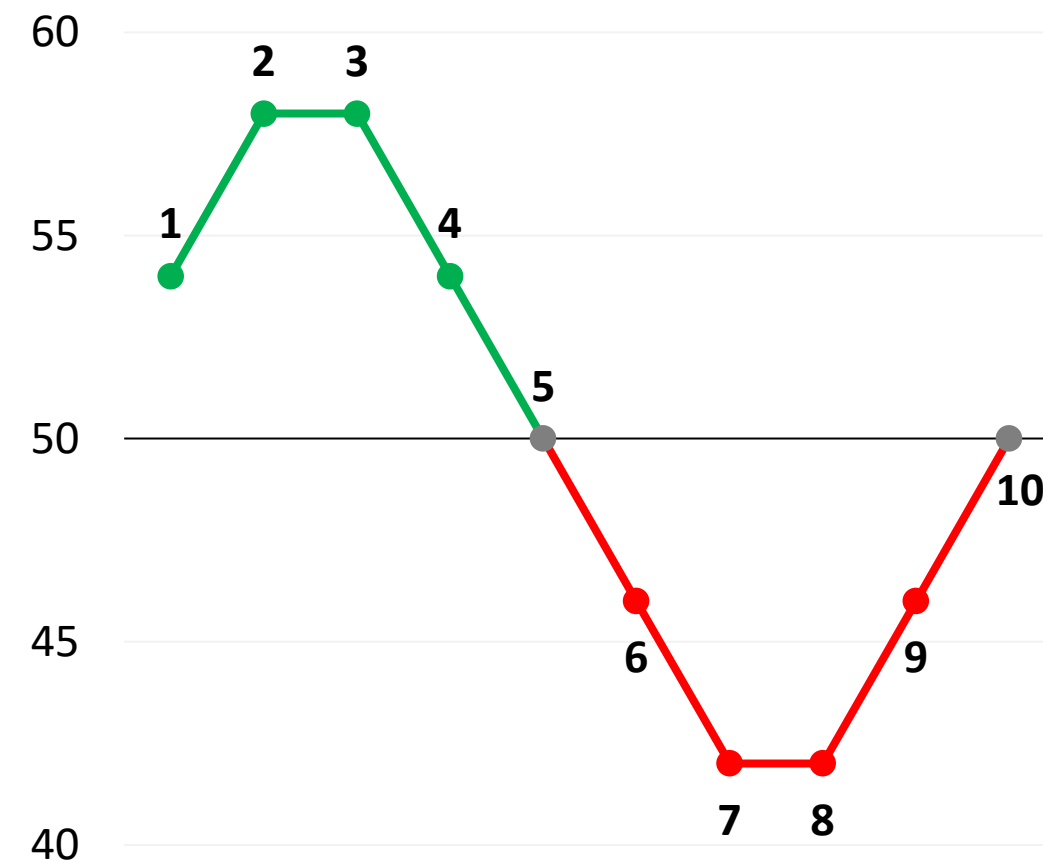
# Methodology

## 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



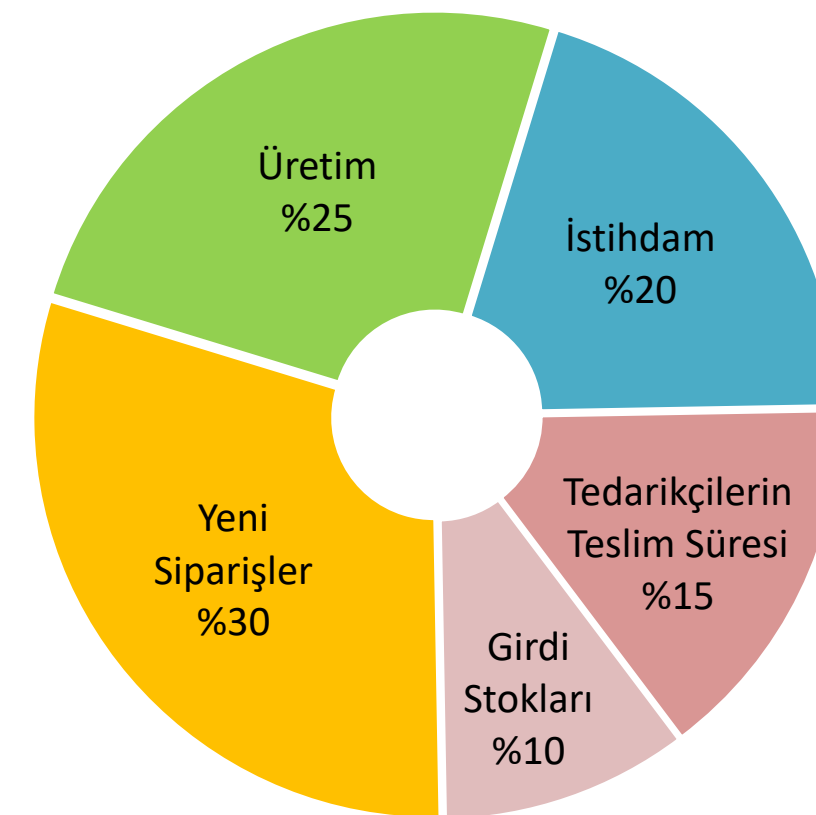
## How is the manufacturing PMI calculated?

- 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<sup>(\*)</sup>, 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.

### Manufacturing PMI Individual Index Weights



(\*) S&P Global produces PMI indexes for the manufacturing industry in a total of 31 countries, including Turkey. PMI indexes in other countries are composite indexes that also cover non-manufacturing sectors. Therefore, for a smooth comparison by country, the scope of the presentation was limited to 31 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.



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