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# Manufacturing PMI® Developments in the World

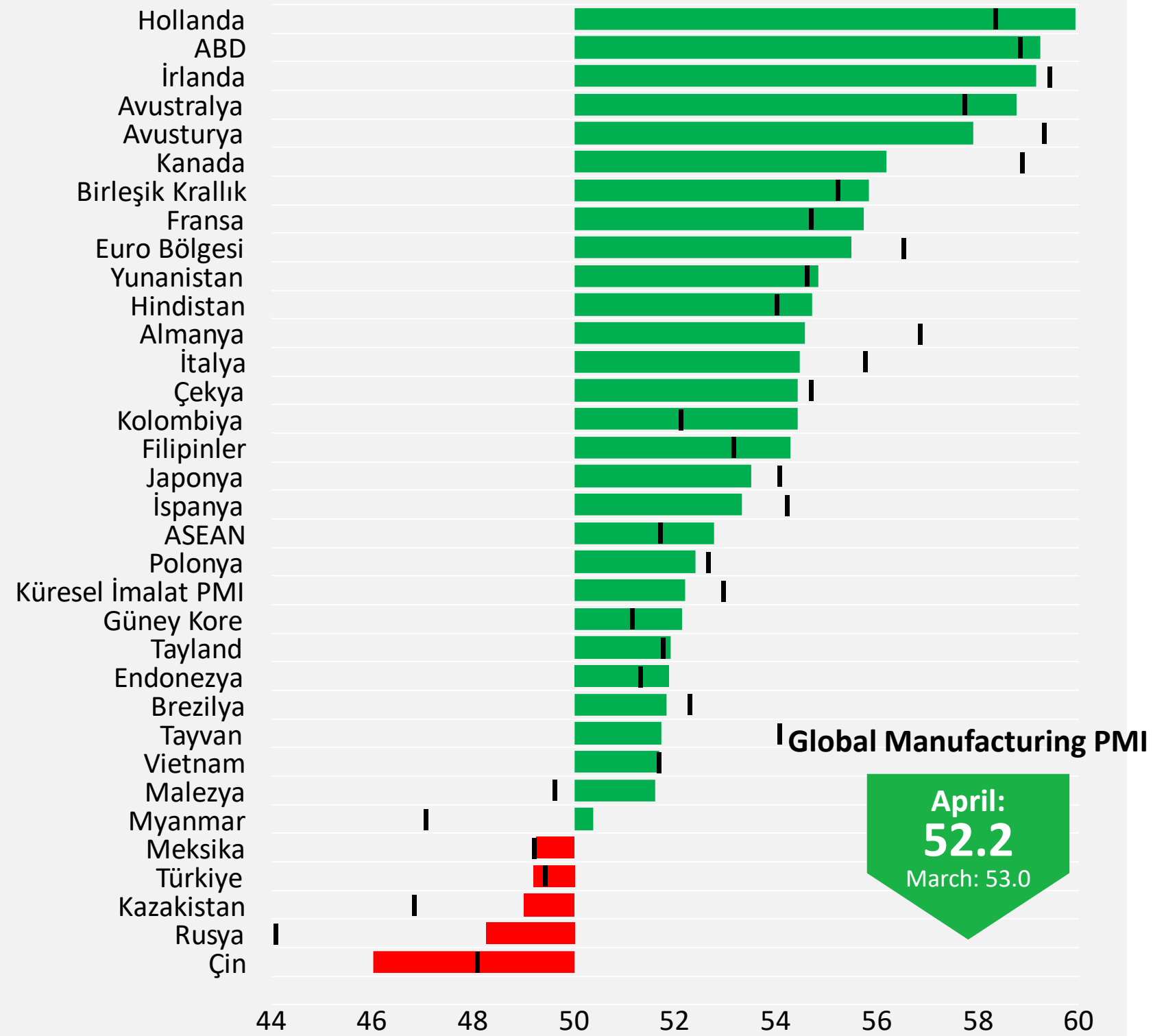
*April 2022*



# Outlook

## İmalat PMI, Nisan 2022

(>50 = Geçen aya göre iyileşme)



## Global Manufacturing PMI drops to a 20-month low in April.

- In April 2022, the Global Manufacturing Purchasing Managers' Index (PMI) dropped to 52.2, 0.8 points down from March, and its lowest since August 2020.
- The global manufacturing industry output falls for the first time in 22 months. This fall is mainly led by sharp downturn in China due to the escalated COVID-19 measures.
- The rest of the world however saw a positive outlook in general. In 31 national economies where the Manufacturing PMI was calculated, the index was above the 50 no-change mark in April. Growth accelerated in 15 out of these 26 economies compared to March.
- Rising geopolitical tensions, supply-chain disruptions and escalating inflationary pressures also weighed on new order intakes. And the export orders continued to decline.
- **Istanbul Chamber of Industry Türkiye Manufacturing PMI** posted 49.2 in March, 0.2 points down from the previous month, and below the 50.0 no-change mark for the second consecutive month. Demand fragility, price increases and the war in Ukraine affected the activity conditions of the sector.

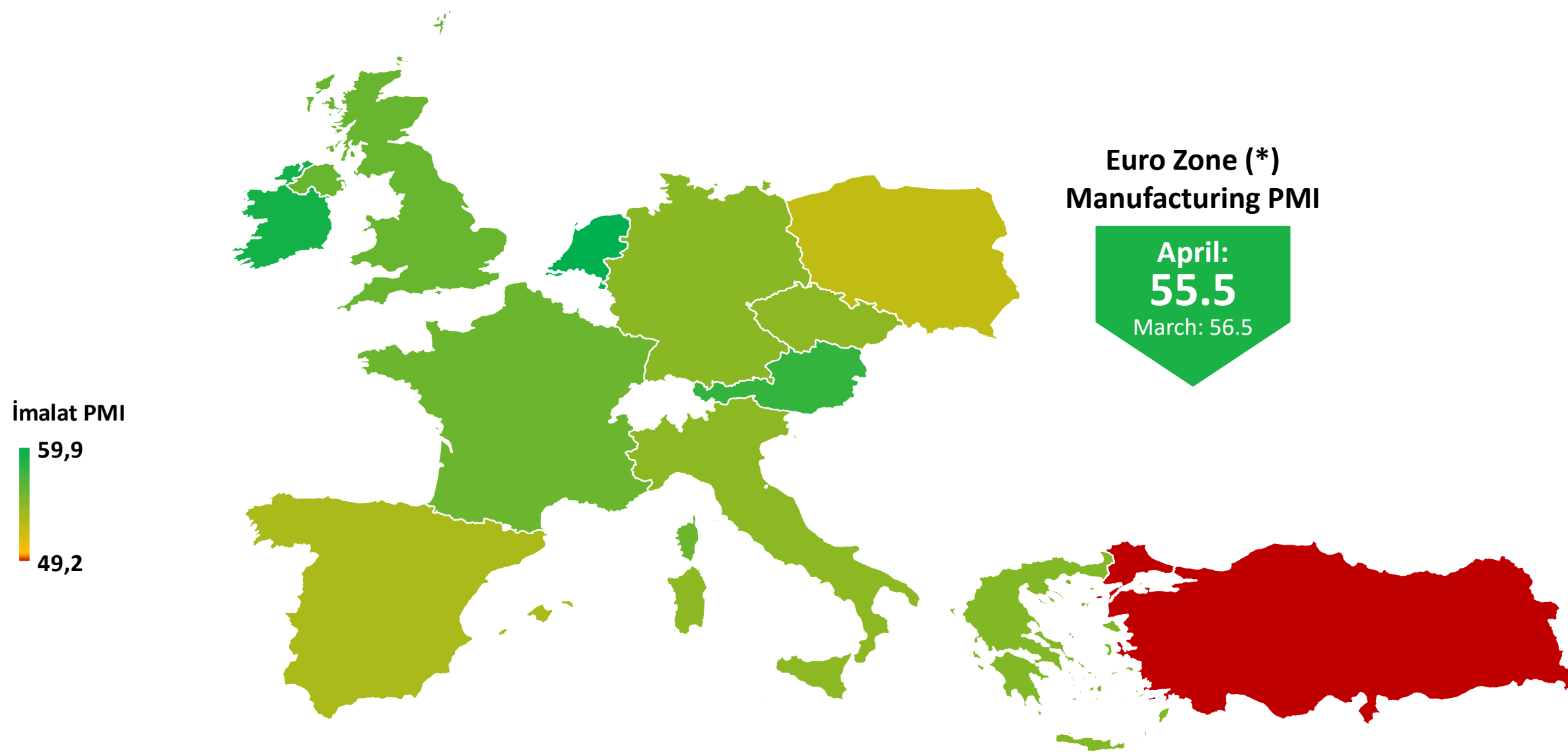
Source: S&P Global.

**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

## War in Ukraine, escalated measures in China and ongoing supply-chain disruptions slowed down the growth.

- The Manufacturing PMI in the Euro area dropped to 55.5 in April, 1 point down from March, and the lowest level in the last 15 months. New orders slowed down, while the war in Ukraine and tighter COVID-19 restrictions in China disrupted the supply chains. Production growth was very limited.
- All 8 Euro Zone countries where Manufacturing PMI is calculated continued to expand in April. However, growth slowed down in 5 of these countries compared to March. Production and new orders decreased in Germany for the first time since June 2020.
- In the United Kingdom, the growth accelerated compared to March, but export orders dropped. In Poland and Czech Republic, non-Euro countries, the growth slowed down with the weakened demand conditions caused by the war.



<b>Manufacturing PMI</b>	<b>March 2022</b>	<b>April 2022</b>
The Netherlands	58.4	59.9
Ireland	59.4	59.1
Austria	59.3	57.9
United Kingdom	55.2	55.8
France	54.7	55.7
Greece	54.6	54.8
Germany	56.9	54.6
Italy	55.8	54.5
Czech Republic	54.7	54.4
Spain	54.2	53.3
Poland	52.7	52.4
<b>Türkiye</b>	<b>49.4</b>	<b>49.2</b>

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

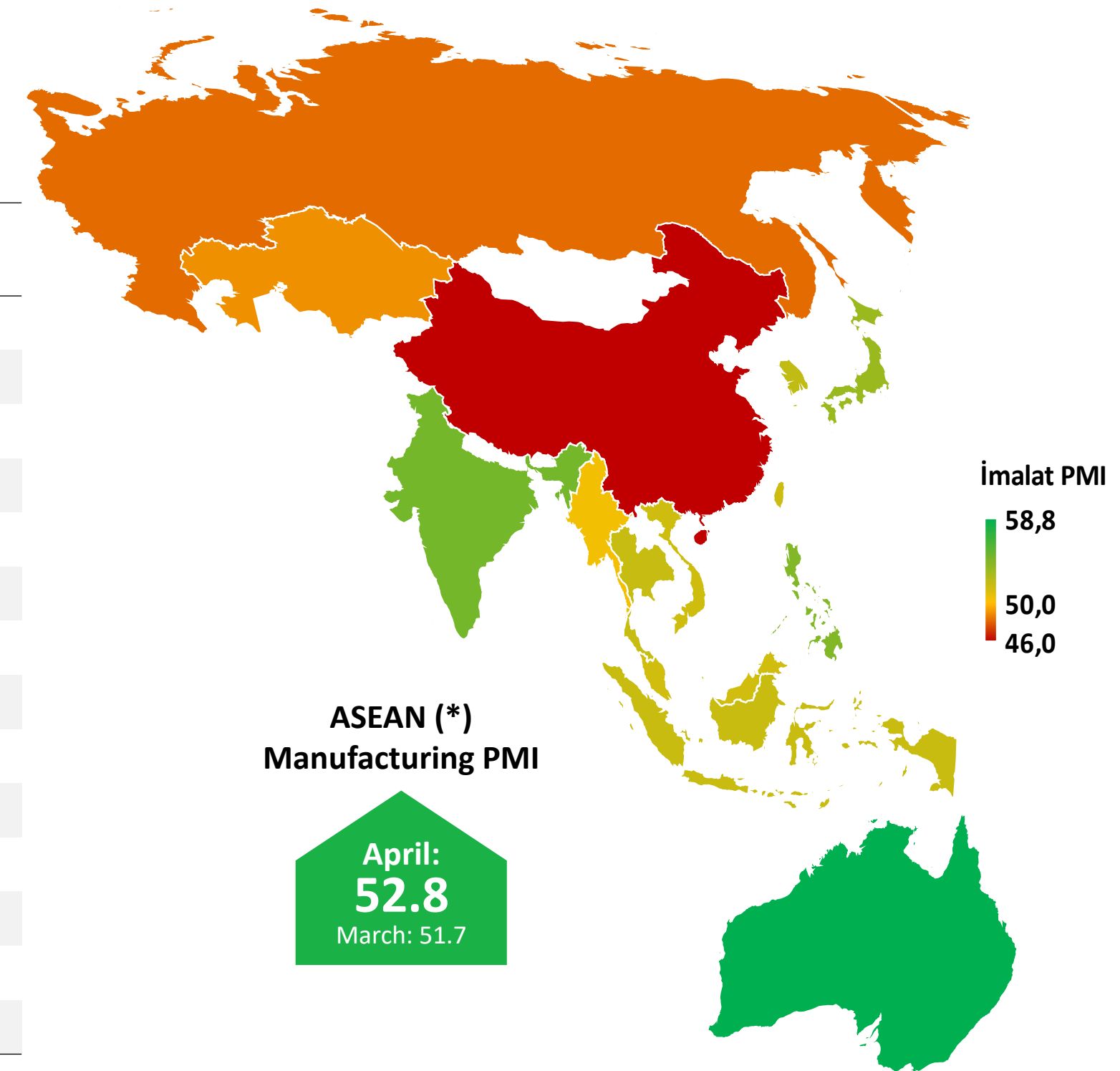
# Asia-Pacific

## Negative impacts of sanctions in Russia continue; Covid-19 measures deepen the shrinkage in China.

- Growth in Asia-Pacific region was more widespread than in March. The top 3 in Manufacturing PMI was Australia, India and the Philippines.
- Escalated Covid-19 measures in China accelerated the drop in production and new orders. Supply chain disruptions and inflationary pressures strengthened.
- The manufacturing sector in Taiwan saw a shrinkage for the first time in the last 5 months led by increased numbers of Covid-19 cases.
- Growth in Japan slowed down led by rising geopolitical tensions, supply-chain disruptions and loss of export due to stagnation in China.
- South Korea on the other hand saw a stronger growth than March. Decreased foreign demand, increased inflation and supply problems prevented a stronger performance.
- The war in Ukraine and the international sanctions continued to negatively affect Russia's manufacturers. But the shrinkage was moderate compared to March.
- In all the ASEAN economies, the manufacturing sector registered improvement. Malaysia and Myanmar returned back to the growth area in April.

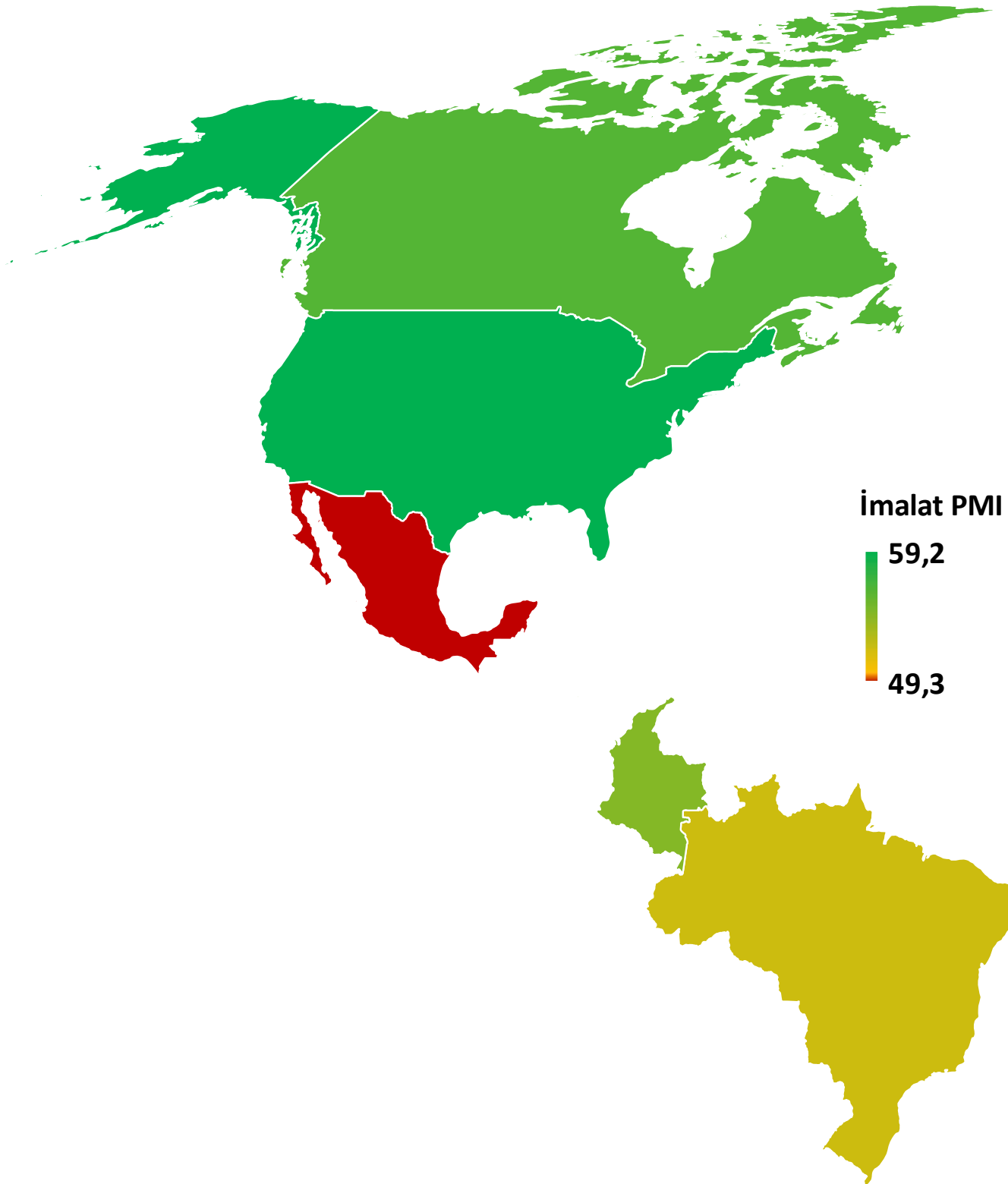
Manufacturing PMI	March 2022	April 2022
Australia	57.7	58.8
India	54.0	54.7
Philippines	53.2	54.3
Japan	54.1	53.5
South Korea	51.2	52.1
Thailand	51.8	51.9
Indonesia	51.3	51.9
Taiwan	54.1	51.7
Vietnam	51.7	51.7
Malaysia	49.6	51.6
Myanmar	47.1	50.4
Kazakhstan	46.8	49.0
Russia	44.1	48.2
China	48.1	46.0

Source: S&P Global.



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

# America



Manufacturing PMI	March 2022	April 2022
USA	58.8	59.2
Canada	58.9	56.2
Columbia	52.1	54.4
Brazil	52.3	51.8
Mexico	49.2	49.3

## Inflationary pressures continues to get stronger across the continent

- In the US, the manufacturing industry activity conditions saw the strongest improvement of the last 7 months. Demand and production accelerated despite the increased inflation. Delays were seen in suppliers' delivery times. Companies created jobs faster due to capacity pressures.
- The Manufacturing PMI in Canada dropped in April after a record of growth series in March (since 2011), but still signals a strong growth pace. Even though the increase in input costs softened, the inflation in finished product prices accelerated.
- Production and new orders continued to drop in Mexico. But increase in job creation signals that maybe the worst is over. Supply and price pressures on the other hand continued to be strong.
- Increased inflation and raw material problems slowed the growth in Brazil. High global uncertainty negatively affected the export demand, slowing down the total orders.
- Columbia saw the highest PMI of the last 6 months led by stronger demand and accelerated employment. However, pressures on input costs and sales prices continued.



# 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.

## How is the manufacturing PMI calculated?

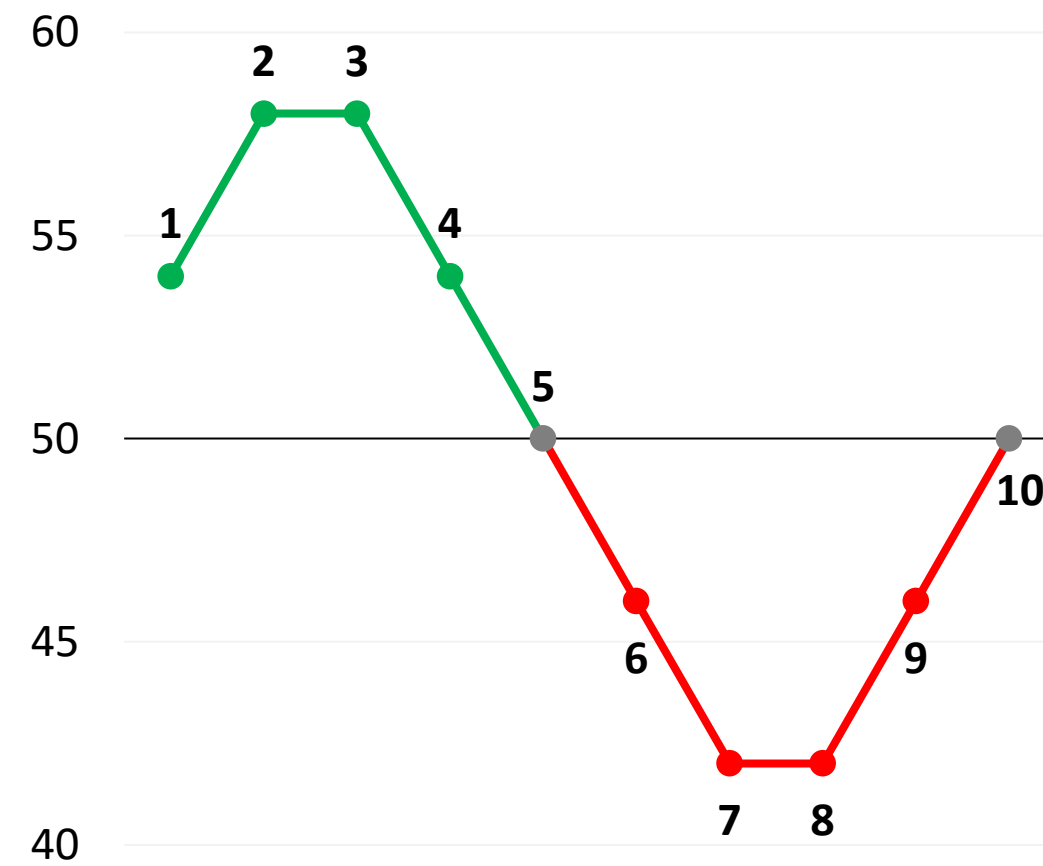
- The index is based on 5 sub-indices: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indices are seasonally adjusted.

## 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.

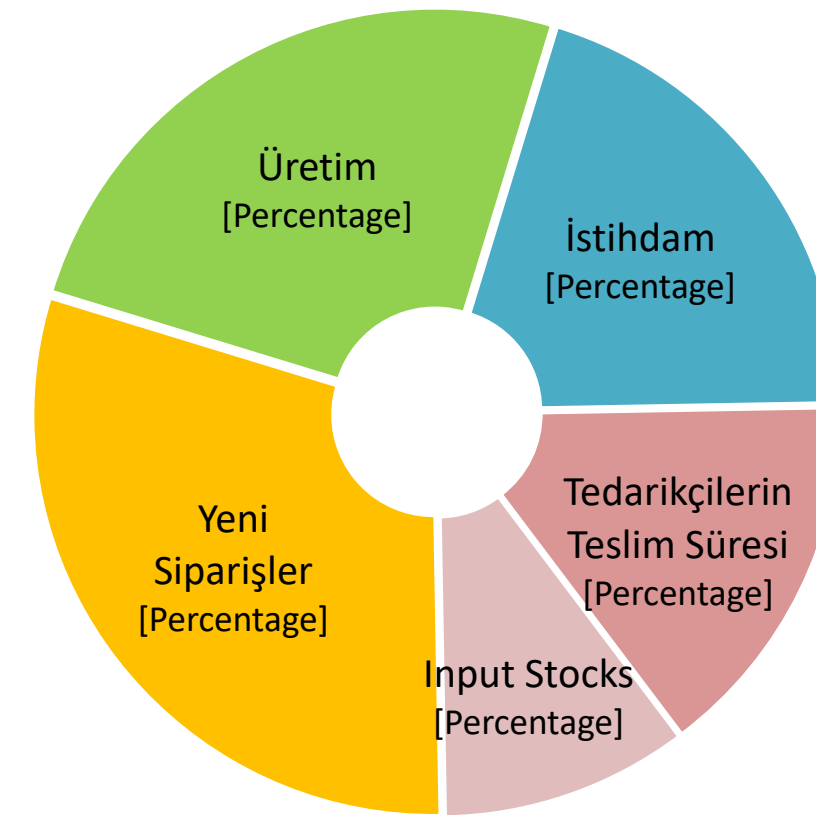
## Index Interpretation

50= no change on previous month



1	Grew
2	Grew at a higher rate
3	Grew at the same rate
4	Grew at a lower rate
5	No change after a growth in the previous month
6	Growth dropped after the previous month with no change
7	Dropped at a higher rate
8	Dropped at the same rate
9	Dropped at a lower rate
10	No change after a drop in the previous month

## Manufacturing PMI Individual Index Weights



(\*) S&P Global produces PMI indices for the manufacturing industry in a total of 31 countries, including Türkiye. PMI indices in other countries are composite indices 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 indices were produced.

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