



İSTANBUL
SANAYİ ODASI

Manufacturing PMI® Developments in the World

February 2023

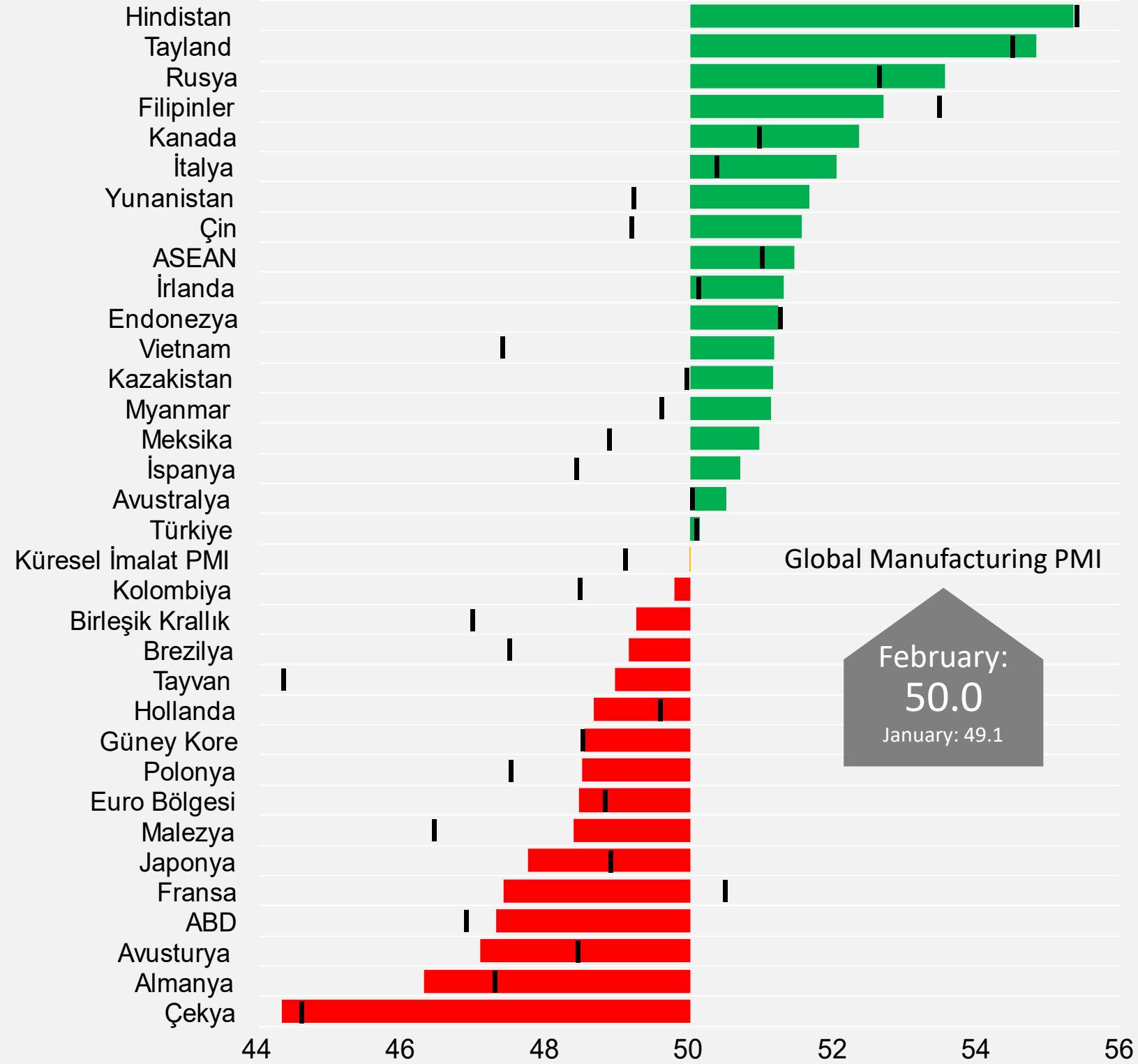




General Outlook

İmalat PMI, Şubat 2023

(>50 = Geçen aya göre iyileşme)



Manufacturing output returns to growth as supply chain constraints ease and China reopens

- Global Manufacturing Purchasing Managers' Index™ (PMI) rose to 50.0 in February, up from 49.1 in January. After a five-month run of signalling contraction, the PMI index posted a reading identical to the no-change mark.
- In February, output rose for the first time in seven months. Delivery times of suppliers improved after three and a half years amid China's re-opening as COVID restrictions were lifted. New order intakes move closer to stabilising, while employment rose for the first time since October.
- In the Manufacturing PMI survey conducted in 31 national economies, the number of countries posting above the no-change mark of 50.0 increased to 17 in February from 12 in January. The performances of the manufacturing sector of the North America, Europe and South America remained weak in comparison to Asia.
- The most moderate increase was observed in input prices since October 2020. Costs nonetheless rose for the thirty-third successive month, keeping the inflation in finished product prices still high.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI was unchanged from the previous month at 50.1 in February of 2023, signalling February's catastrophic earthquake impacted supply chains and manufacturing in the Turkish manufacturing sector. On a positive note, firms continued to raise staff levels.

Source: S&P Global.

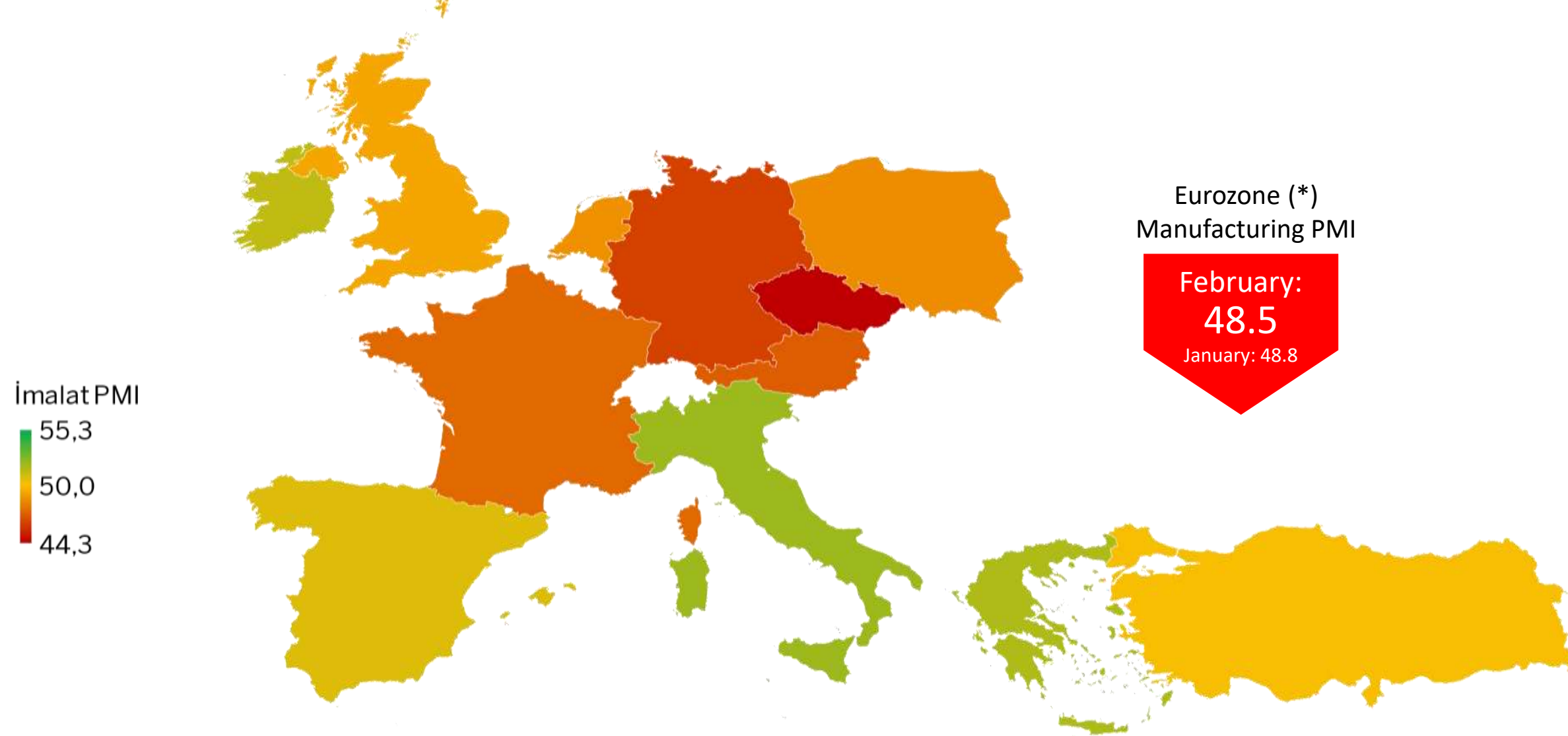
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

Improvement in supply chains helped partial recovery of manufacturing in Euro Zone.

- The Eurozone Manufacturing PMI dropped to 48.5 in February, slightly below 48.8 in January. Suppliers' lead times showed a considerable easing of supply-chain pressures (*). Output revived ending an eight-month sequence of contracting output, but still having the pressures of weak order conditions. There was a considerable easing of input cost inflation, but the inflation remained strong in sales prices.
- The PMI index was in growth zone in 4 out of 8 Euro Areas where the Manufacturing PMI was available. The strongest improvement in the sector's activity conditions was observed in Italy, while Spain posted a moderate growth. However, a contraction was registered in the biggest two economies of the region, Germany and France.
- In the United Kingdom, the downturn in output halted and production rose for the first time in eight months with the easing supply pressures and new orders fell less. In Poland, contraction in factory activity continued, though better than the previous month. And in Czech Republic, the trend of weak demand conditions and significant contraction continued.



Manufacturing PMI	January 2023	February 2023
Italy	50.4	52.0
Greece	49.2	51.7
Ireland	50.1	51.3
Spain	48.4	50.7
Türkiye	50.1	50.1
United Kingdom	47.0	49.3
Holland	49.6	48.7
Poland	47.5	48.5
France	50.5	47.4
Austria	48.4	47.1
Germany	47.3	46.3
Czech Republic	44.6	44.3

Source: S&P Global.

(*) "Suppliers' Delivery Times" index above 50.0 points to shorter delivery times and has a tendency of lowering the headline PMI.

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



Asia-Pacific

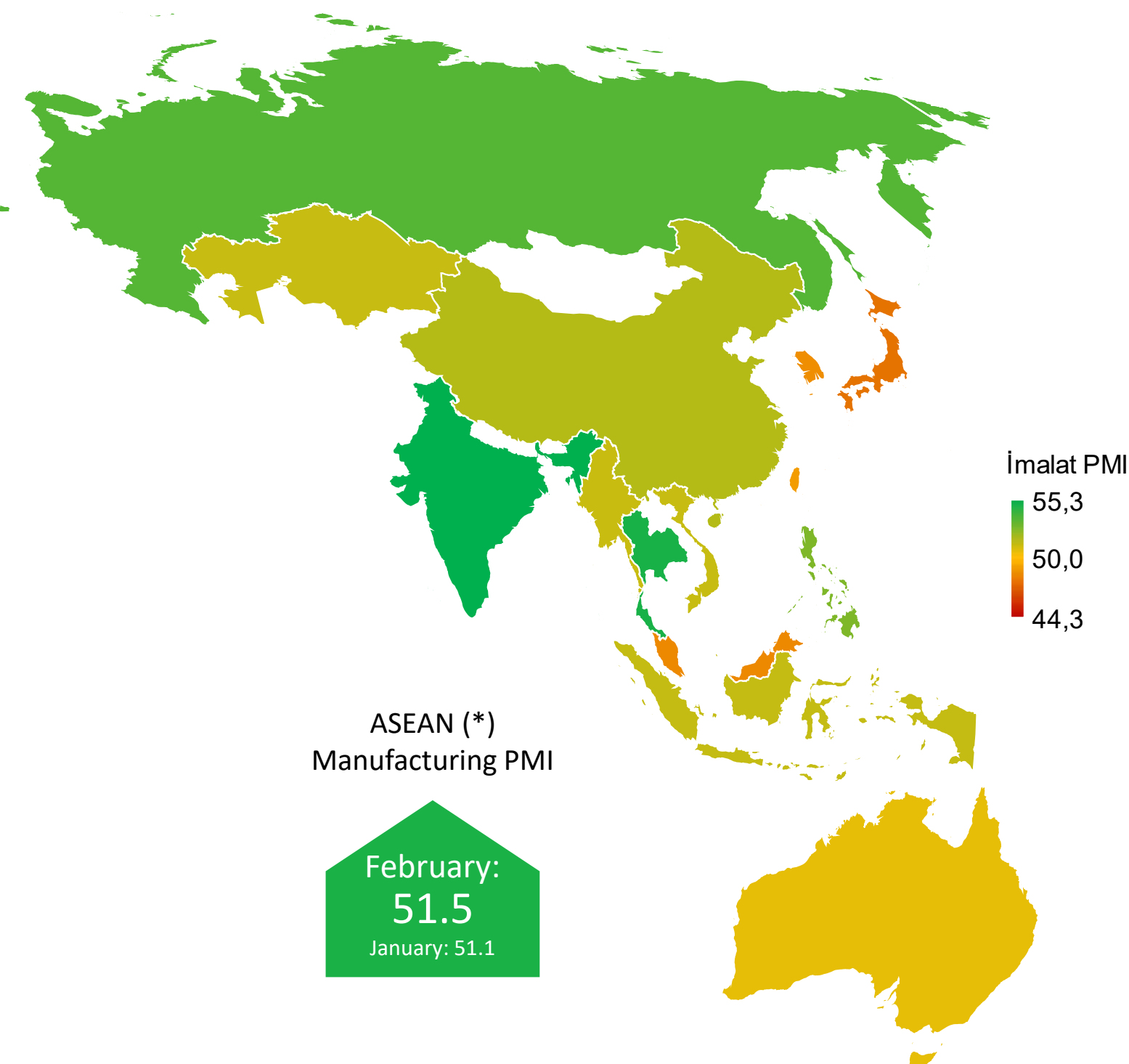
China returns to growth in February, while most of the Southeastern Asia posted improved factory activities.

- In the Asia-Pacific region, the performance of the manufacturing sector was positively differentiated from the other regions in February.
- Lifted COVID restrictions in China supported the consumer demand positively and led to a significant improvement in output.
- India maintained its strong growth trend with the highest Manufacturing PMI index.
- The downturn in Japan extended due to the weak demand conditions, but supply and price pressures eased.
- South Korea had a similar trend with a decline in output for ten consecutive months.
- In Taiwan, as the supply chain problems eased down, both output and new orders shrank at the softest pace.
- Sharper expansion in production and orders was seen in Russia and the Manufacturing PMI reading pointed to the strongest growth since 2017.
- In Australia managed a very limited improvement in activity conditions and the output remained the same compared to the previous month.

- The manufacturing performance was stronger in Asian region. All the countries in the region posted a PMI above 50.0, except for Malaysia. Vietnam and Myanmar moved to growth zone

Manufacturing PMI	January 2023	February 2023
India	55.4	55.3
Thailand	54.5	54.8
Russia	52.6	53.6
Philippines	53.5	52.7
China	49.2	51.6
Indonesia	51.3	51.2
Vietnam	47.4	51.2
Kazakhstan	50.0	51.2
Myanmar	49.6	51.1
Australia	50.0	50.5
Taiwan	44.3	49.0
South Korea	48.5	48.5
Malaysia	46.5	48.4
Japan	48.9	47.7

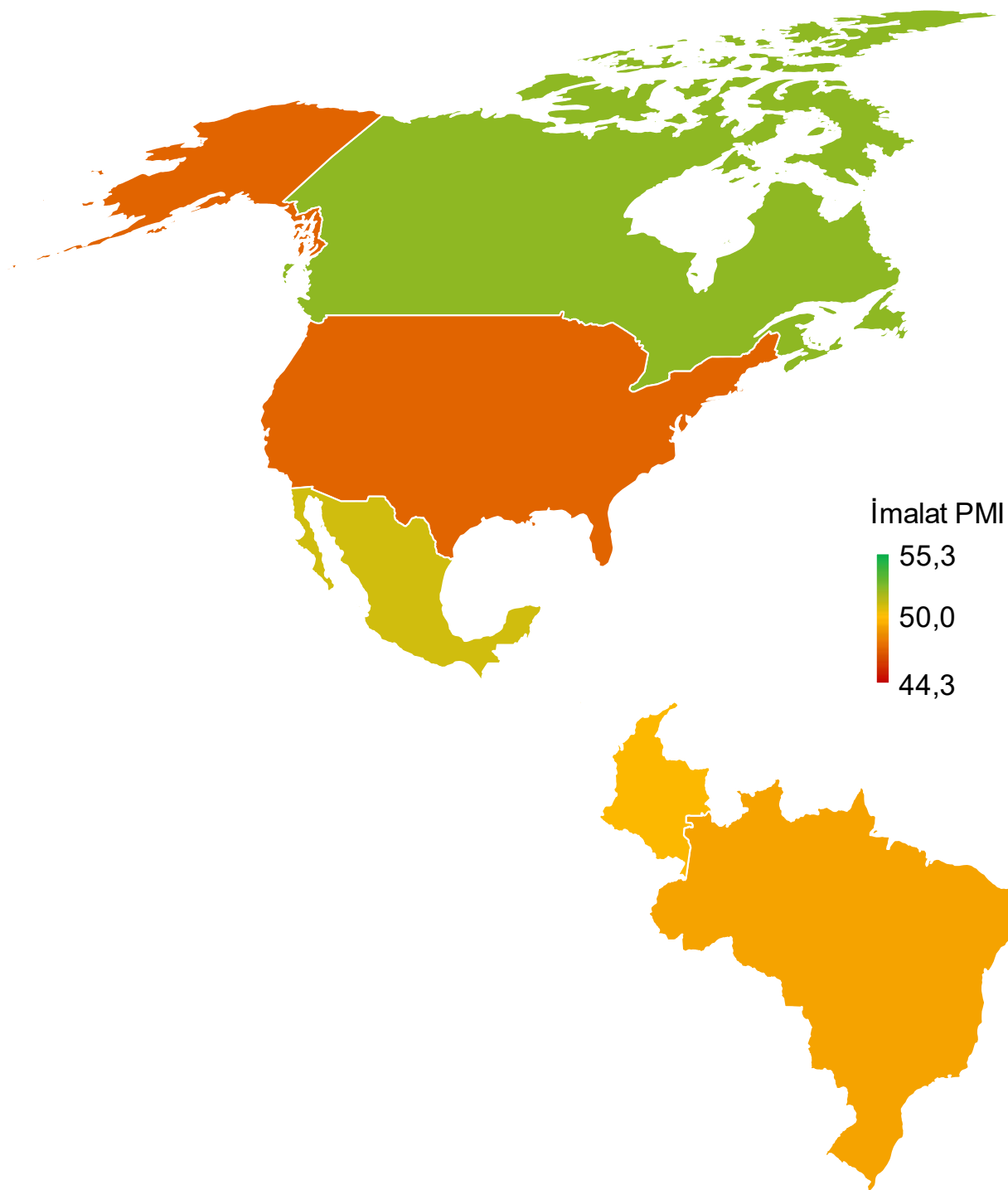
Source: S&P Global.



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



The United States



Manufacturing PMI	January 2023	February 2023
Canada	51.0	52.4
Mexico	48.9	51.0
Colombia	48.5	49.8
Brazil	47.5	49.2
USA	46.9	47.3

Source: S&P Global.

The US remained in contraction zone, while Canada continued to expand.

- The Manufacturing PMI of the US remained below 50.0 despite a slight increase in February. Contraction continued in new orders and the decline in output had a softer pace. However, the suppliers performance was the strongest since May2009 and the input prices inflation declined.
- The growth in Canadian manufacturing sector rose further. Both output and demand saw faster increases, and firms continued to add new jobs. Inflation rates continued to ease amid reports of greater stability in supply chains.
- The Mexico Manufacturing PMI continued to remain in growth zone for the five consecutive months in the last six months. Despite a mild drop in output, the increase in orders helped remaining optimistic. Meantime, employment had some difficulties and the inflationary pressures on input costs were higher.
- In Brazil, the contraction in demand was eased compared to previous month, and output saw the modest decline of the last four months. Despite the increase in input prices, the inflation remained below the long-term average.
- In Columbia, there are stronger signals of an end to the continued contraction in the manufacturing sector. And the inflation was the lowest of the last two years.



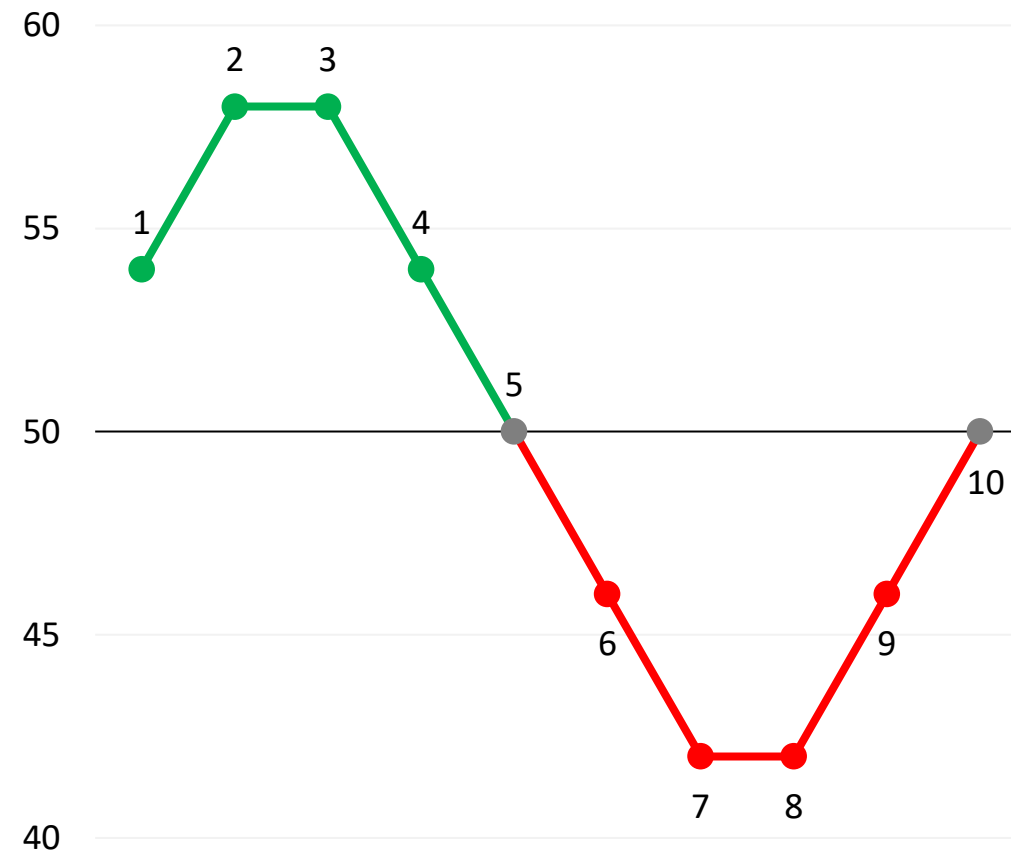
Methodology

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



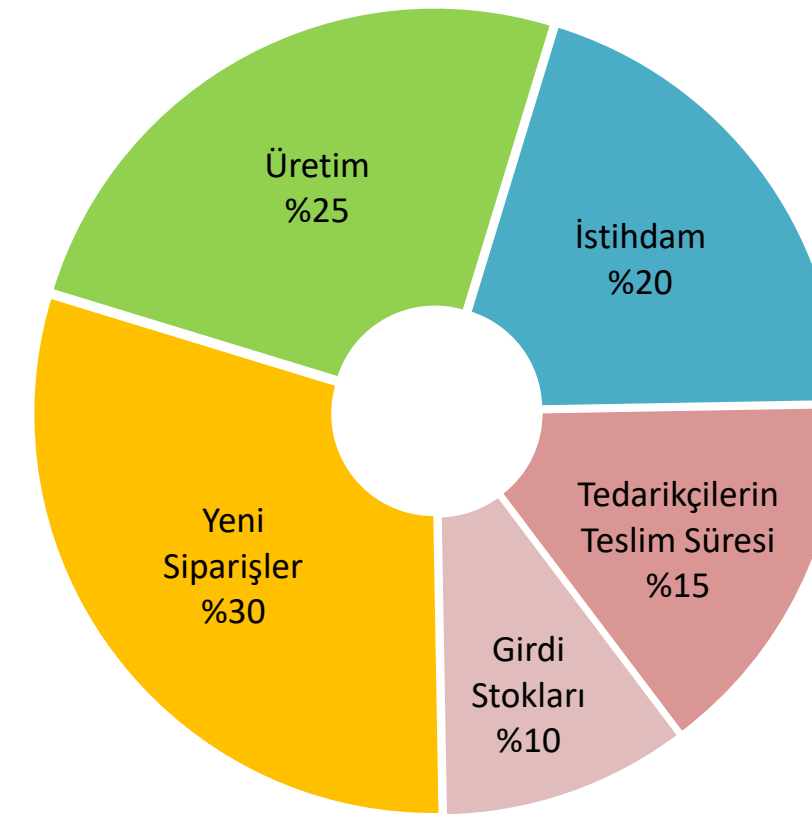
How is the manufacturing PMI calculated?

- 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.

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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