



İSTANBUL  
SANAYİ ODASI

# Developments in the World Manufacturing PMI®

*April 2023*

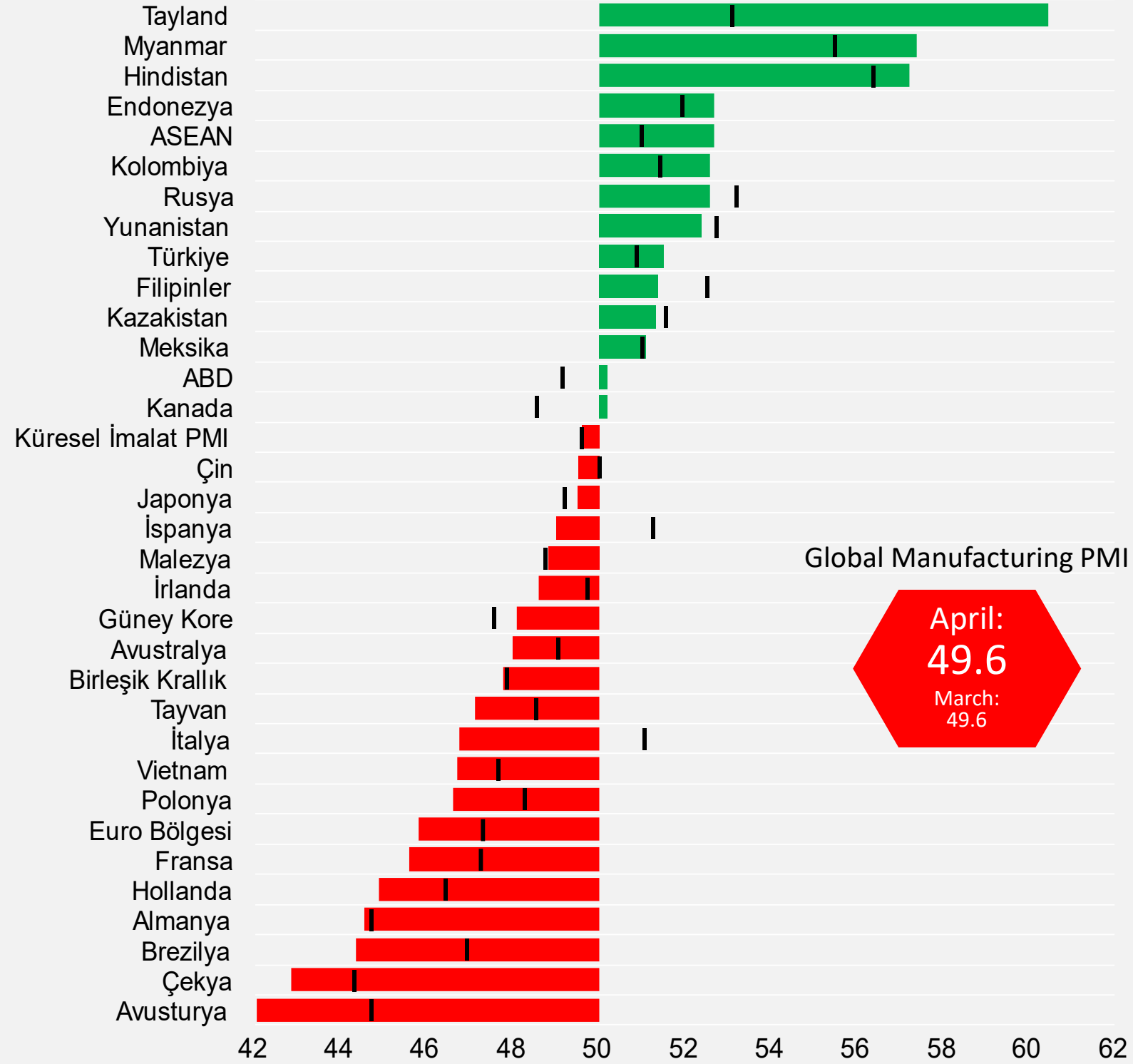




# General Outlook

## İmalat PMI, Nisan 2023

(>50 = Geçen aya göre iyileşme)



## Slight increase in global manufacturing, significant improvement in supply chains

- The Global Manufacturing Purchasing Managers' Index® (PMI) was unchanged at 49.6 in April. The PMI has stayed below the neutral 50.0 mark for eight successive months.
- Global manufacturing new orders continued to fall, despite the increase in output for three successive months. Still, there is a significant improvement in manufacturers' expectations of output for the next 12 months. April saw a slight increase in employment as well.
- Shortened supplier lead times affected the headline PMI downward which was effective in most of the countries. Furthermore, in April, lead times shortened to the greatest extent since May 2009.
- April saw rates of increase in input costs to their lowest of the last 3 years.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI increased to a 16-month high of 51.5 in April from 50.9 in March. This was mostly due to the increase in output, which was the highest since August 2021. After the recovery in demand following the February earthquake also supported the output. New orders, including exports, also increased significantly.

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.

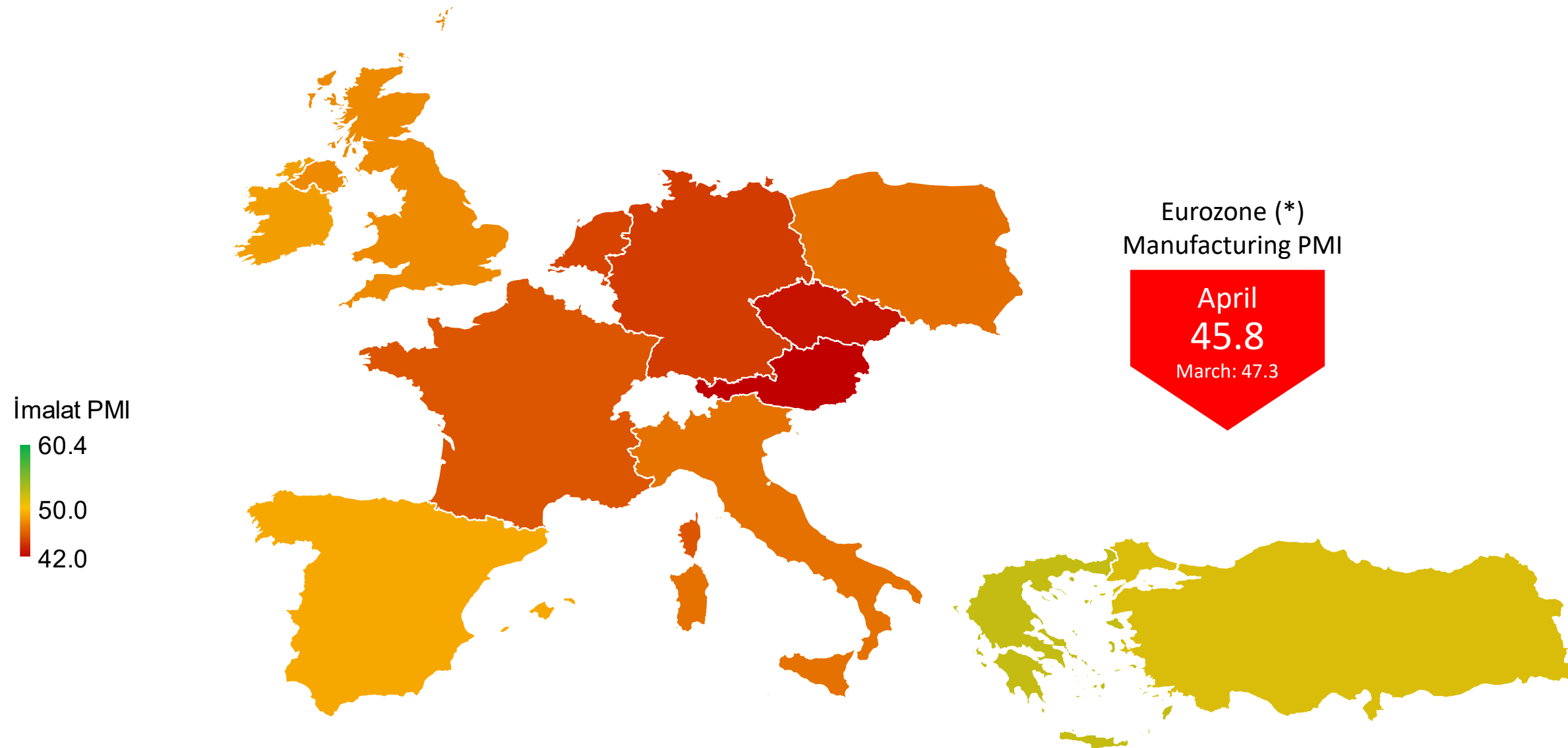


# Europe

## Output dropped in Eurozone for the first time since January

- Euro Zone Manufacturing PMI dropped 1.5 points in April to 45.8, the lowest level in the last 3 years. Output decreased for the first time since January, orders also experienced a similar decrease. As a result, the shortening in suppliers lead times continued and the input costs dropped for two successive months.
- In 8 Eurozone countries where Manufacturing PMI is calculated, only Greece posted above the headline PMI neutral 50 mark. Lead times shortened in Germany and Austria, leading to very low index figures (\*). And in France, Spain, Italy and the Netherlands, both output and new orders decreased.

- Improved demand in the United Kingdom lead to the fastest increase in output in the last 1 year. Strong demand and high wage increases supported inflationary pressure. And in the Czechia and Poland, which have been going through tough times since the start of the war in Ukraine, the activity conditions continued to deteriorate.



Manufacturing PMI	March 2023	April 2023
Greece	52.8	52.4
Türkiye	50.9	51.5
Spain	51.3	49.0
Ireland	49.7	48.6
United Kingdom	47.9	47.8
Italy	51.1	46.8
Poland	48.3	46.6
France	47.3	45.6
Holland	46.4	44.9
Germany	44.7	44.5
Czech Republic	44.3	42.8
Austria	44.7	42.0

Source: S&P Global.

(\*) According to the PMI methodology, an index of "Suppliers' Delivery Times" that is above 50 indicates that delivery times were shortened. This index is included into the headline PMI calculation by being reversed. Therefore, an increase in the index negatively affects the headline PMI.

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



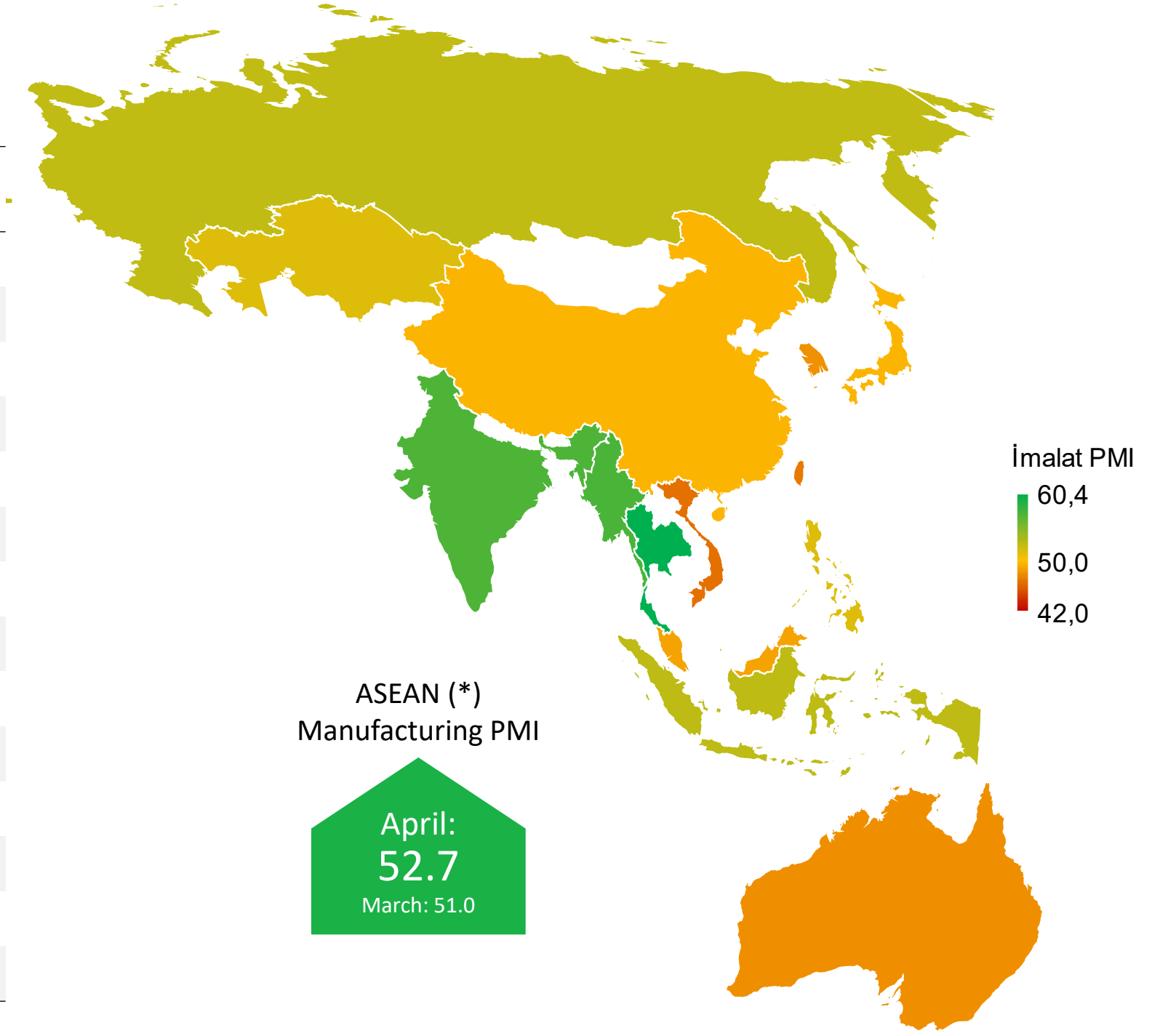
# Asia-Pacific

## Mixed outlook in the region with positive results for South Asia.

- There were significant differences in the manufacturing sector between countries in the Asia-Pacific region in april.
- In China, orders slowed down, while output slightly increased in the manufacturing sector. Decreases were seen in input costs amid improvements in the suppliers lead times.
- In Japan, the manufacturing PMI remained below the 50.0 no-change mark, but signalled an easing in contraction.
- The manufacturing sector of the South Korea remained in the contraction zone in April, too. But the drop in output was weakest of the last 1 year.
- India continued to find support from stronger foreign demand. And the increased capacity pressure affected employment positively.
- And In Taiwan, contraction continued in order and output volume, amid stagnant demand in the US, European and Chinese markets.
- Even though the PMI points to a 12-month growth in Russia, the output slowed down and the inflationary pressures started to rise again in April.
- The activity conditions improved in general in Asian region despite major differences between countries. Thailand posted a record high PMI, 60.4 due to improved economic expectations. A similar situation was observed in Myanmar.

Manufacturing PMI	March 2023	April 2023
Thailand	53.1	60.4
Myanmar	55.5	57.4
India	56.4	57.2
Indonesia	51.9	52.7
Russia	53.2	52.6
Philippines	52.5	51.4
Kazakhstan	51.6	51.3
China	50.0	49.5
Japan	49.2	49.5
Malaysia	48.8	48.8
South Korea	47.6	48.1
Australia	49.1	48.0
Taiwan	48.6	47.1
Vietnam	47.7	46.7

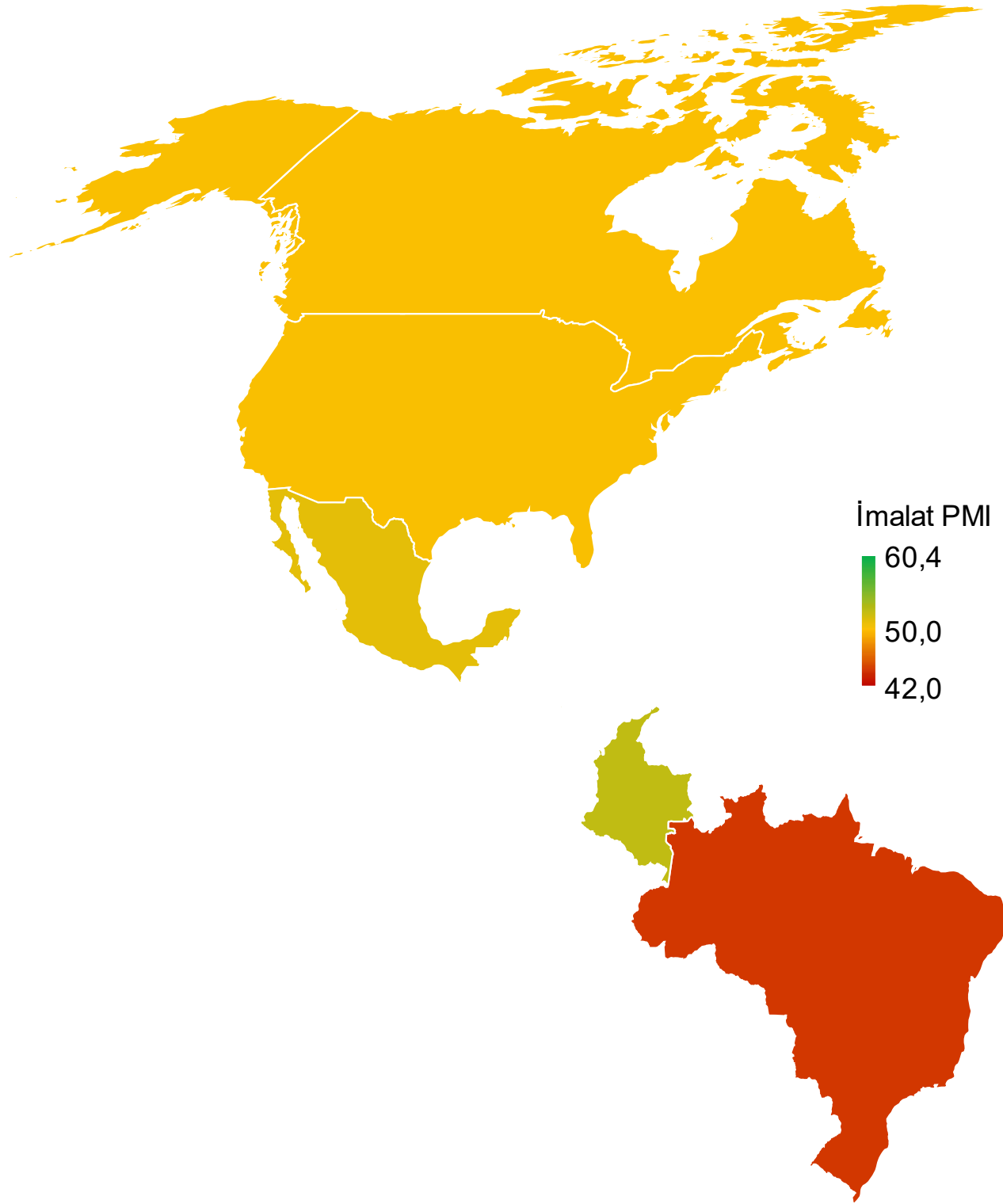
Source: S&P Global.



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



# The United States



Manufacturing PMI	March 2023	April 2023
Colombia	51.5	52.6
Mexico	51.0	51.1
USA	49.2	50.2
Canada	48.6	50.2
Brazil	47.0	44.3

Source: S&P Global.

The US and Canada returned to growth zone, but the general outlook still weak.

- The US manufacturing sector rose to 50.2 in April from 49.2 in March, signalling the first growth of 6 months. with the recovery in sales, both output and employment increased, but input costs and finished product prices saw upward pressures.
- In Canada, even though the output and employment returned to growth zone, the recovery seems weak due to decreased new orders and increased input prices.
- Brazil saw the second sharpest contraction of the last three years in the manufacturing sector in April. High borrowing costs, weakened purchasing power and political uncertainties negatively affects the activity conditions.
- In Mexico, output in manufacturing sector increased for the first time since the beginning of the year due to moderate improvement in demand and ease in cost pressures.
- And in Columbia, output and new orders increased significantly, while input costs dropped to 10-year lowest. So, the manufacturing PMI rose to the highest level since September 2022.



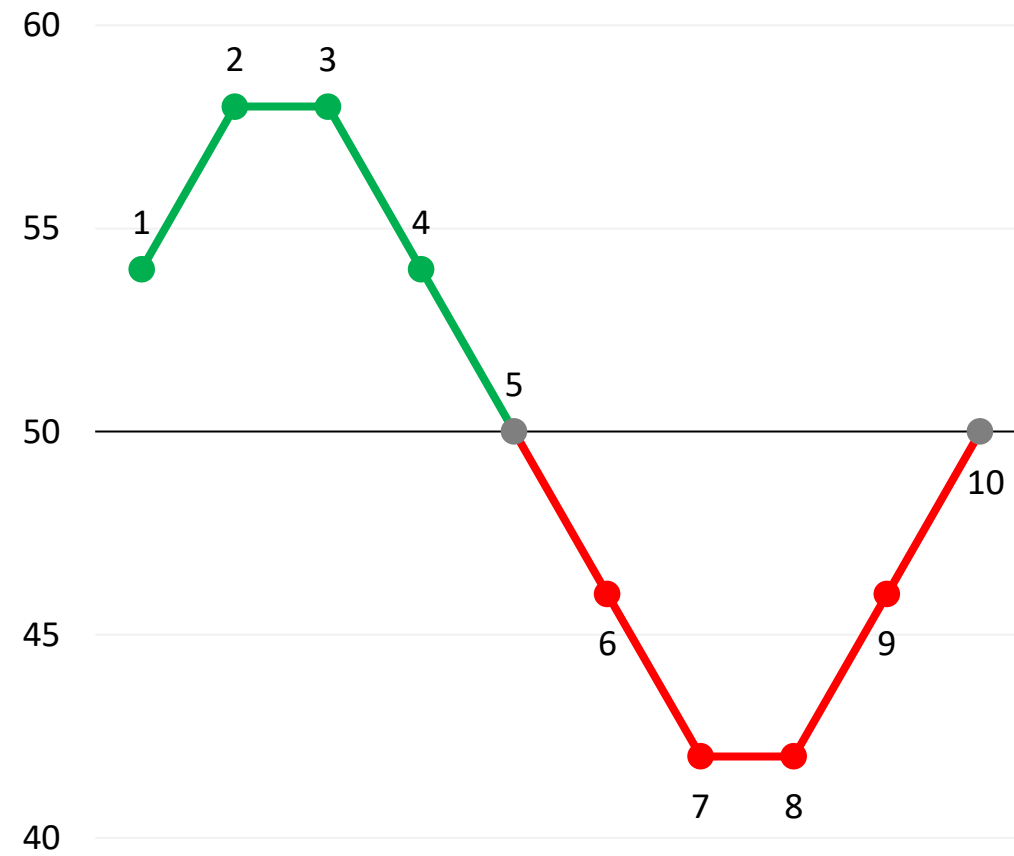
# Methodology

## 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?

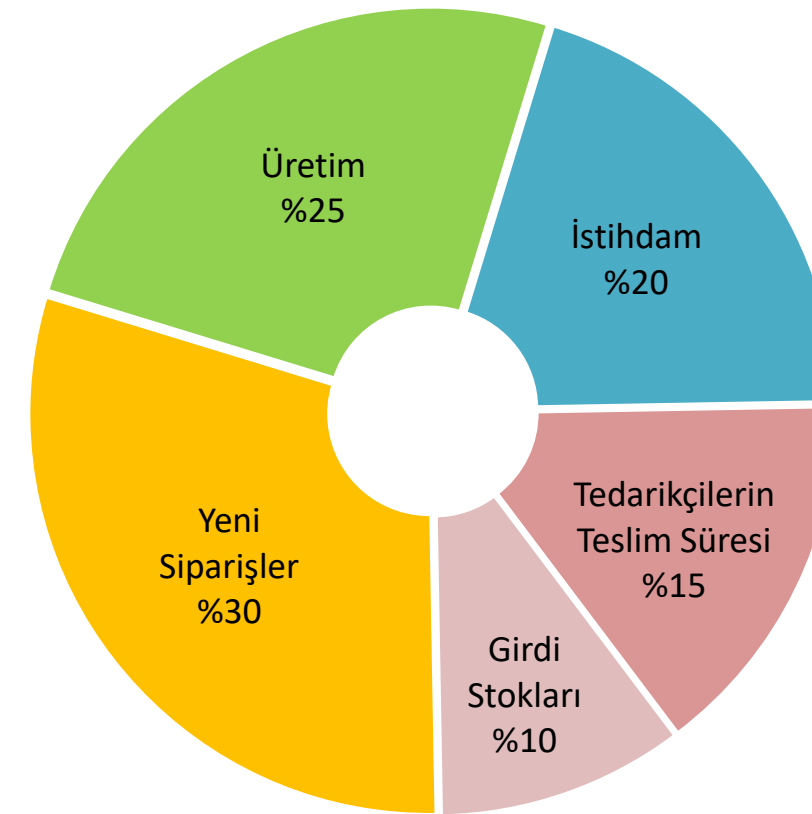
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

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

## 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.



## İSTANBUL SANAYİ ODASI

Economic Research and Corporate  
Finance Branch

Phone: (212) 252 29 00

Fax: (212) 249 50 84

E-mail: [arastirma@iso.org.tr](mailto:arastirma@iso.org.tr)

Meşrutiyet Cad. No. 63 Odakule

34430 Beyoğlu/İstanbul

[www.iso.org.tr](http://www.iso.org.tr)



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