



İSTANBUL  
SANAYİ ODASI

# Developments in the Global Manufacturing PMI®

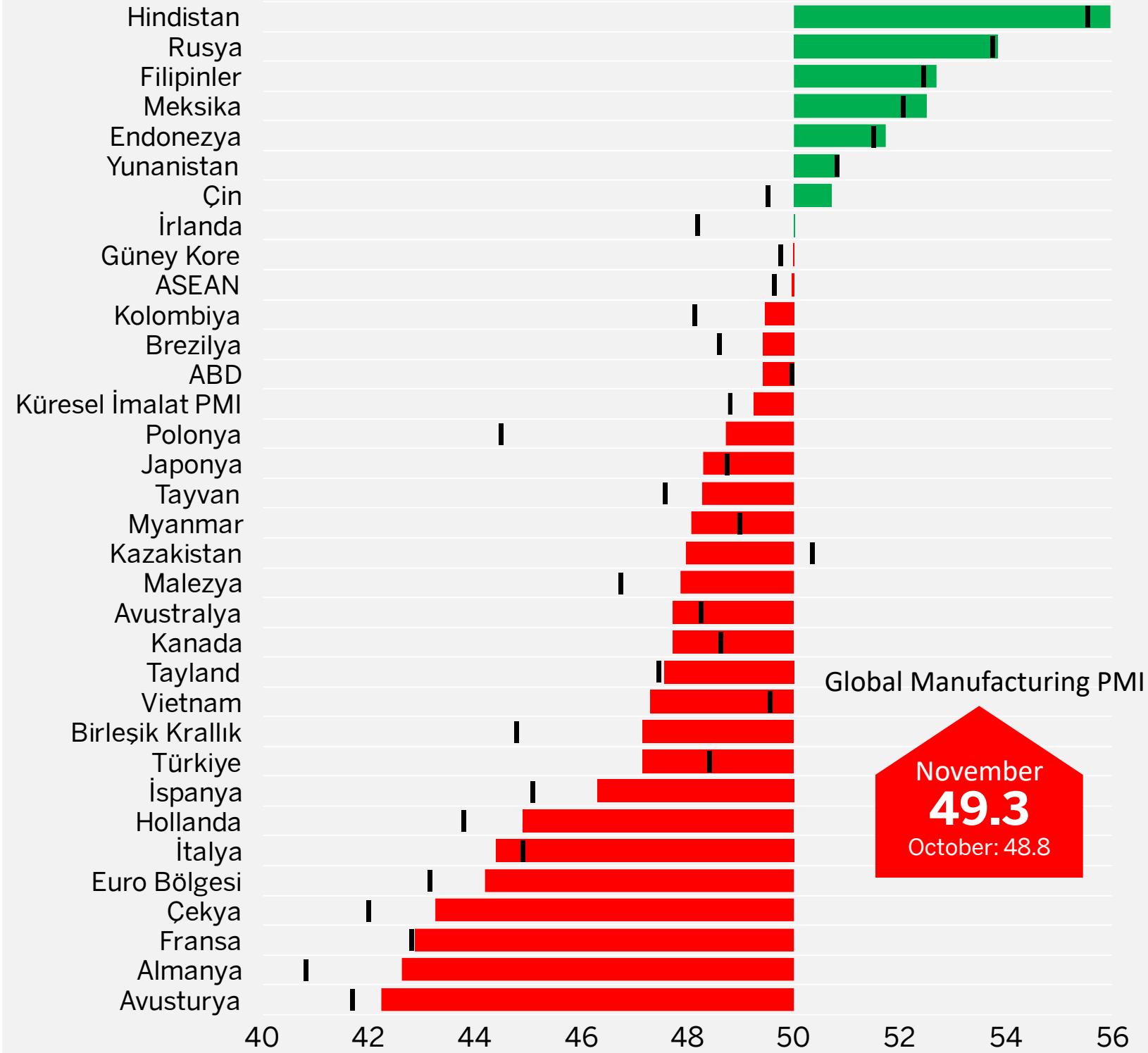
*November 2023*





# General Outlook

## İmalat PMI, Kasım 2023 (>50 = Geçen aya göre iyileşme)



## Global manufacturing downturn slows in November

- The Global Manufacturing Purchasing Managers' Index™ (PMI) rose to 49.3 in November from 48.8 in October. Although the index remained below the neutral 50.0 mark for the fifteenth month in a row, the last increase signalled a decelerated contraction in the sector.
- 22 out of the 31 nations for which November PMI data were available posted the Manufacturing PMI below the neutral 50.0 mark. This number was higher in October with 24. 2 out of the remaining 9 nations signalled stagnation with 50.0 in November, and only 7 nations remained in growth zone.
- November data indicated that the downturn in global manufacturing production was mainly centred on the intermediate goods sector, where output contracted for the sixth month in a row. In contrast, consumer and investment goods producers both saw increases.
- Although new orders, exports and employment continued to signal a deterioration in overall operating conditions, they all signalled lesser rates of decline than in the prior survey month. Input cost and selling price inflation both eased in November in comparison to October.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI posted 47.2 in November, 1.2 points down from the previous month, and below the 50.0 no-change mark for the fifth consecutive month. Output, new orders and employment saw the fastest drops of the last one year. The domestic market was significant in the decrease in demand. Inflation was above its historical average, but the input prices inflation continued to slow down.

Source: S&P Global PMI.

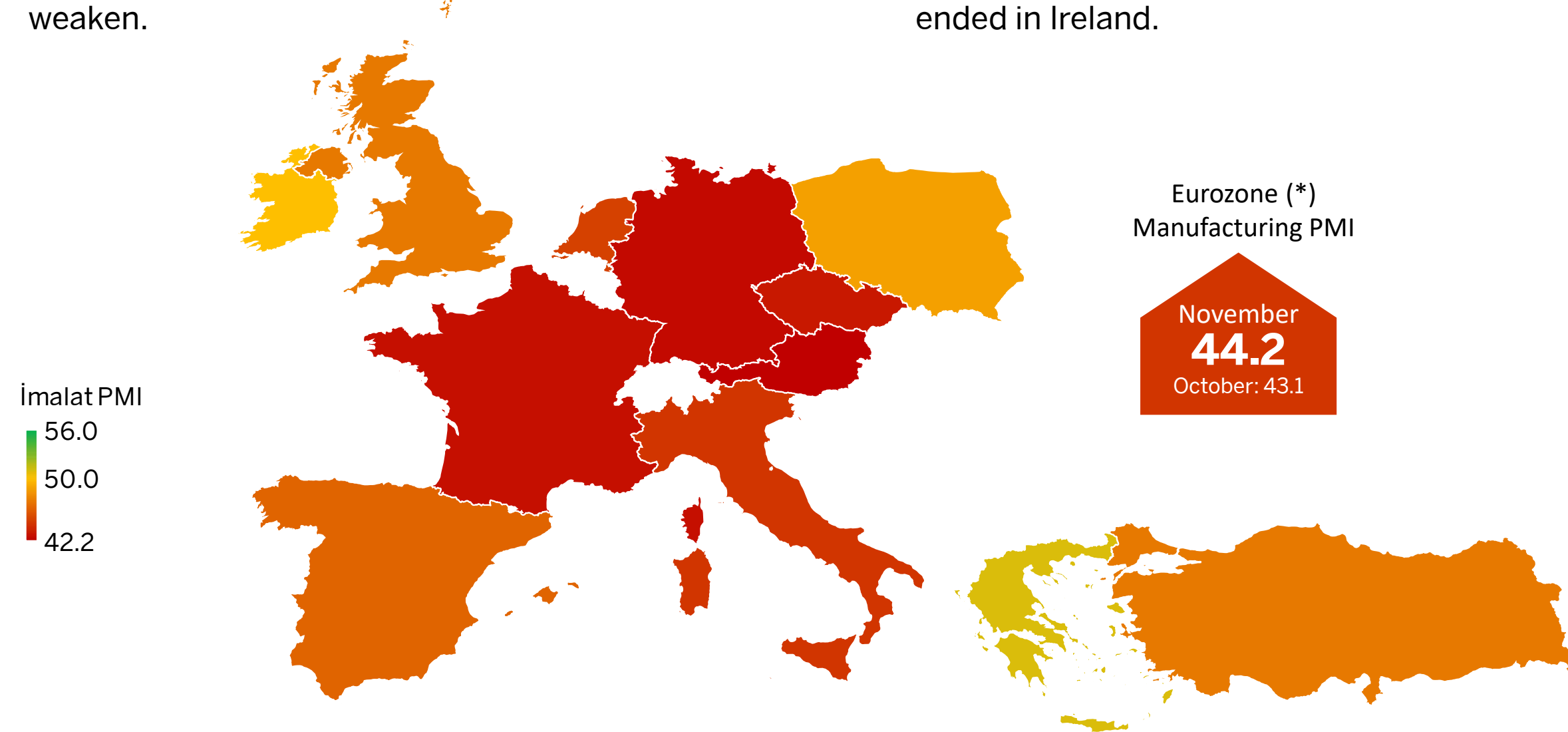
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



# Europe

The contraction in the manufacturing sector continued, albeit at a slower pace.

- Eurozone Manufacturing PMI rose to 44.2 in November from 43.0 in October, indicating that although the significant deterioration in the region's business conditions continued, it partially eased. New orders, inventories and purchases showed more moderate declines. Despite this, drops in staffing levels accelerated. Inflationary pressures continued to weaken.
- 6 of the 8 countries in the Eurozone where Manufacturing PMI data are available remained in the contraction zone. However, the index increased compared to October in all of them except Italy. The weakest business conditions were again observed in Austria and Germany, while limited growth continued in Greece. The contraction trend has ended in Ireland.
- PMI increased by 2.4 points to 47.2 in the United Kingdom, pointing that the contraction in the manufacturing sector has eased. The declines in demand and output slowed down in November.
- PMI in the Czech Republic remained low despite a partial increase. In Poland, the contraction trend reached 19 months, but PMI reached the highest value



Manufacturing PMI	October 2023	November 2023
Greece	50.8	50.9
Ireland	48.2	50.0
Poland	44.5	48.7
United Kingdom	44.8	47.2
Türkiye	48.4	47.2
Spain	45.1	46.3
The Netherlands	43.8	44.9
Italy	44.9	44.4
Czech Republic	42.0	43.2
France	42.8	42.9
Germany	40.8	42.6
Austria	41.7	42.2

Source: S&P Global PMI.

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





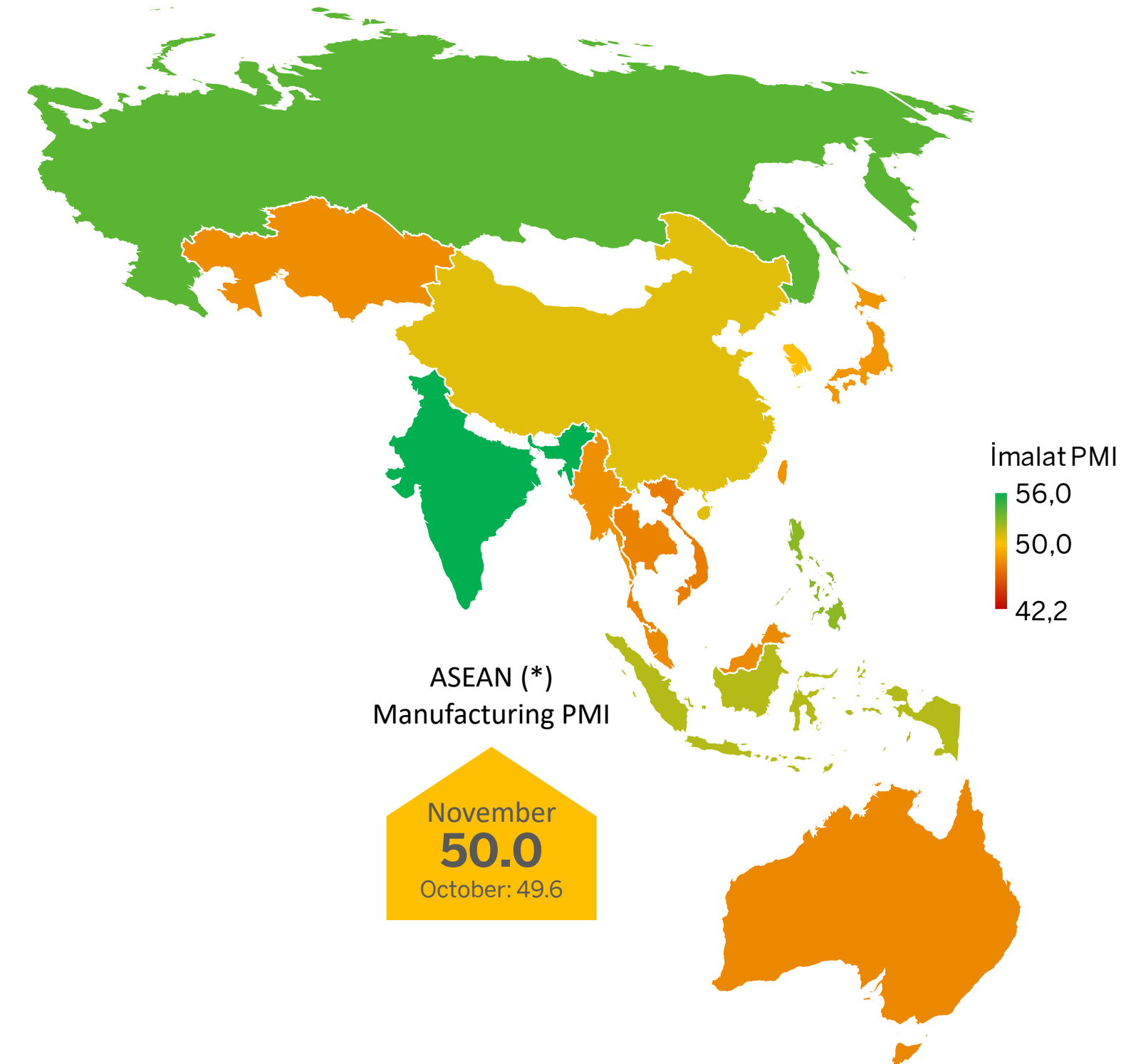
# Asia-Pacific

Growth is stronger than the rest of the world, but the outlook is complex.

- The region that provided the strongest support to growth in the global manufacturing sector was again Asia-Pacific, despite the variable situation between countries.
- China's Manufacturing PMI reached its highest value in the last 3 months in November. The ongoing improvement in orders also led to a slight increase in output.
- The contraction in Japan's manufacturing sector reached 6 months. The ongoing weakness in domestic and foreign demand led to a faster decline in output.
- Operating conditions in South Korea appeared more stable. While the decline in orders slowed down, output remained unchanged.
- PMI rose to 56 in India, where the strong trend in the manufacturing sector continues. The increase in output and new orders gained momentum.
- The growth trend of the manufacturing sector in Russia has reached 18 months. Despite the decrease in exports, total orders continued to increase.
- In Taiwan, where the deterioration in operating conditions continues to ease, Manufacturing PMI reached its highest value in the last 8 months.
- The contraction in Australia's manufacturing sector continued to deepen and PMI fell to its lowest level except for the pandemic period.
- In the ASEAN region, operating conditions remained unchanged in November following the deterioration in October. However, a complex outlook emerged between countries. Growth strengthened in the Philippines and Indonesia, while weakness continued in Vietnam, Thailand and Malaysia.

Manufacturing PMI	October 2023	November 2023
India	55.5	56.0
Russia	53.8	53.8
Philippines	52.4	52.7
Indonesia	51.5	51.7
China	49.5	50.7
South Korea	49.8	50.0
Japan	48.7	48.3
Taiwan	47.6	48.3
Myanmar	49.0	48.1
Kazakhstan	50.3	48.0
Malaysia	46.8	47.9
Australia	48.2	47.7
Thailand	47.5	47.6
Vietnam	49.6	47.3

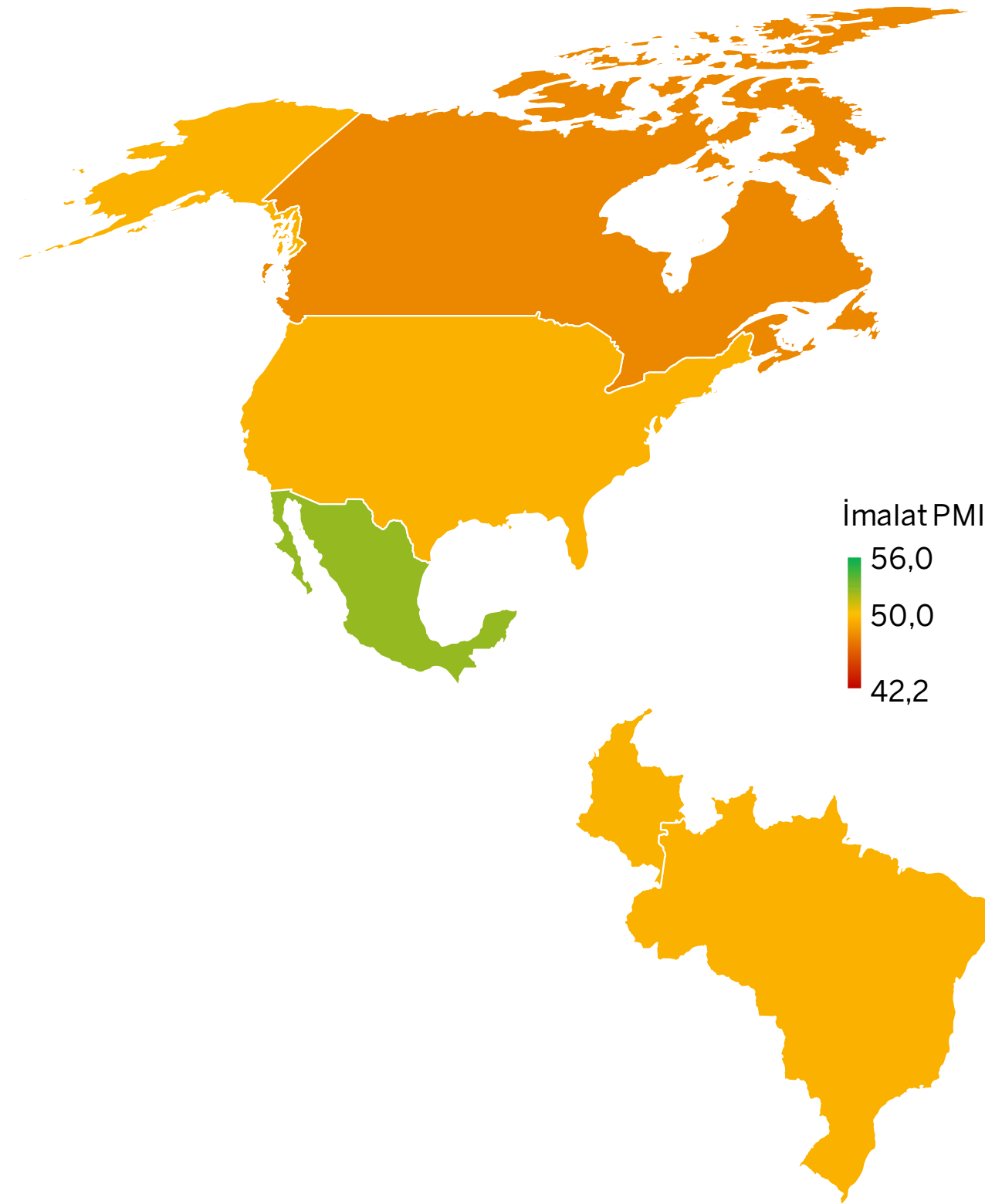
Source: S&P Global PMI.



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



# America



Manufacturing PMI	October 2023	November 2023
Mexico	52.1	52.5
Colombia	48.1	49.4
Brazil	48.6	49.4
USA	50.0	49.4
Canada	48.6	47.7

Source: S&P Global PMI.

## The US back to the contraction zone, Mexico continues to be on the positive side.

- With the weakening of demand in the US, the manufacturing sector moved into the contraction zone again in November. Output and job creation decreased, while inflation slowed down significantly in both input costs and selling prices.
- In Canada, the deterioration in business conditions deepened as a result of new orders and an accelerated decline in output. The high course of inflation also negatively affected demand. Despite this, job creation in the sector increased.
- The shrinking trend of the manufacturing sector in Brazil continued, albeit at a slower pace. Increasing inflationary pressures limited the demand. A relatively positive development was the increase in job creation due to the improvement in expectations.
- Mexico's Manufacturing PMI reached the highest value of the last 4 months with 52.5, and continued to be on the positive side. Output increased for the second month in a row, supported by a significant increase in orders.
- In Colombia, the decline in output slowed down and the index approached the 50 threshold value.



# 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?

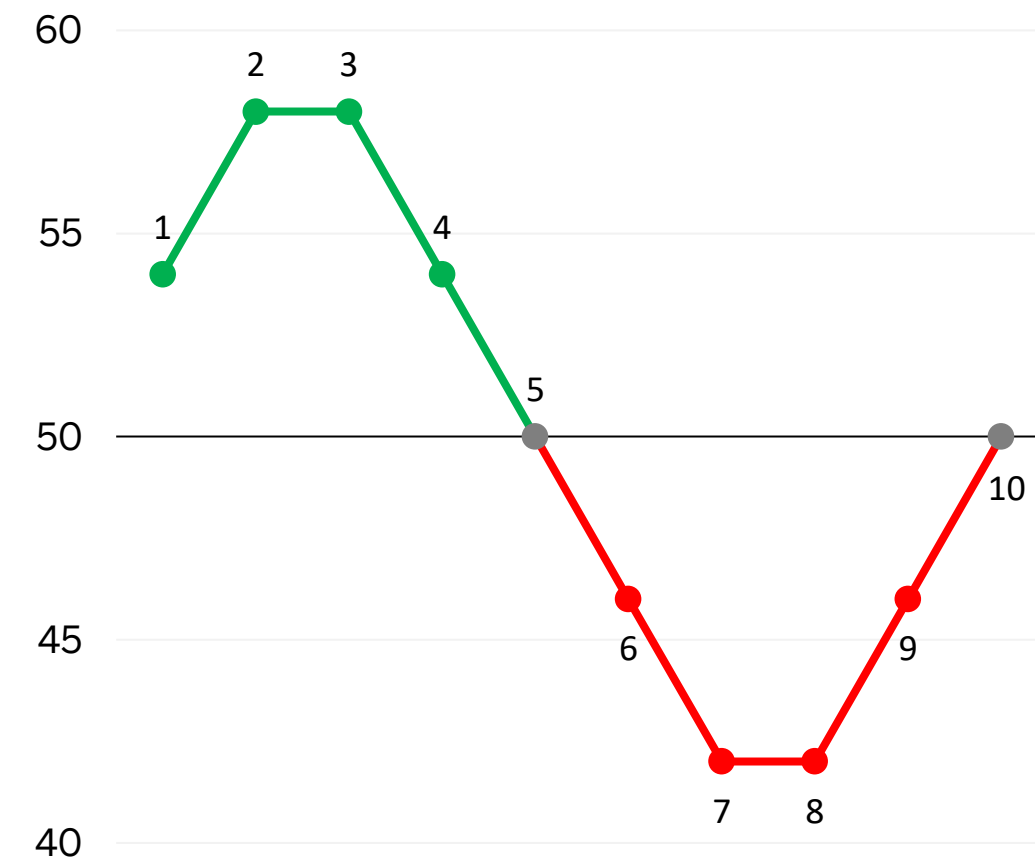
- The index is based on 5 sub-indexes: New Orders, Output, Employment, Suppliers' Delivery Times, Stock of Items Purchased.
- The report features survey data collected from a panel of around 400 companies based in the Turkish manufacturing sector.
- All indexes are seasonally adjusted.

## 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.

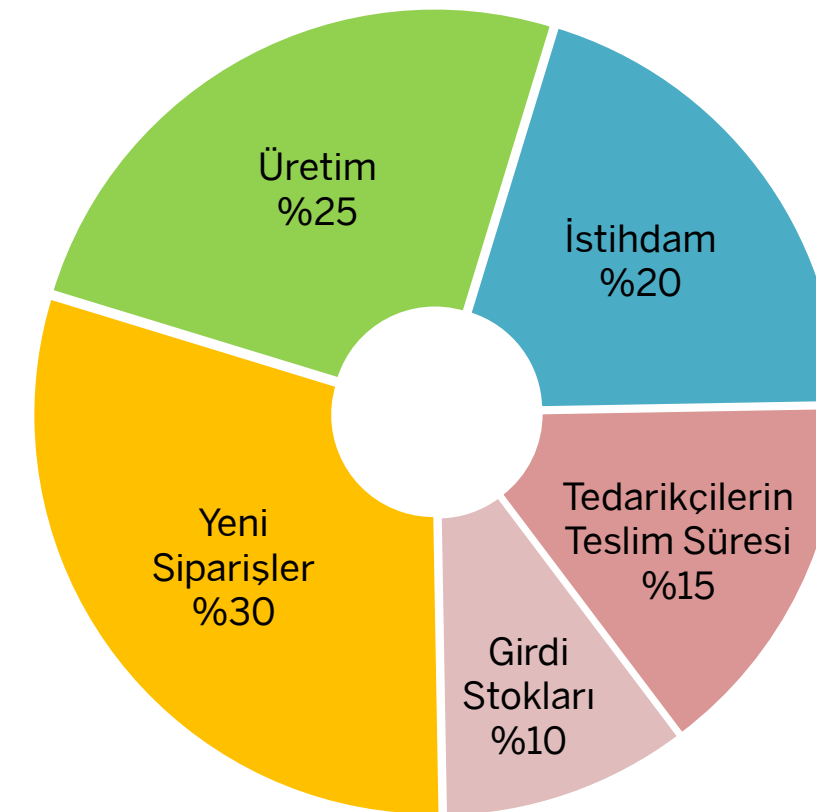
### Index Interpretation

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



<sup>(\*)</sup> 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 some 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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