



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

January 2025

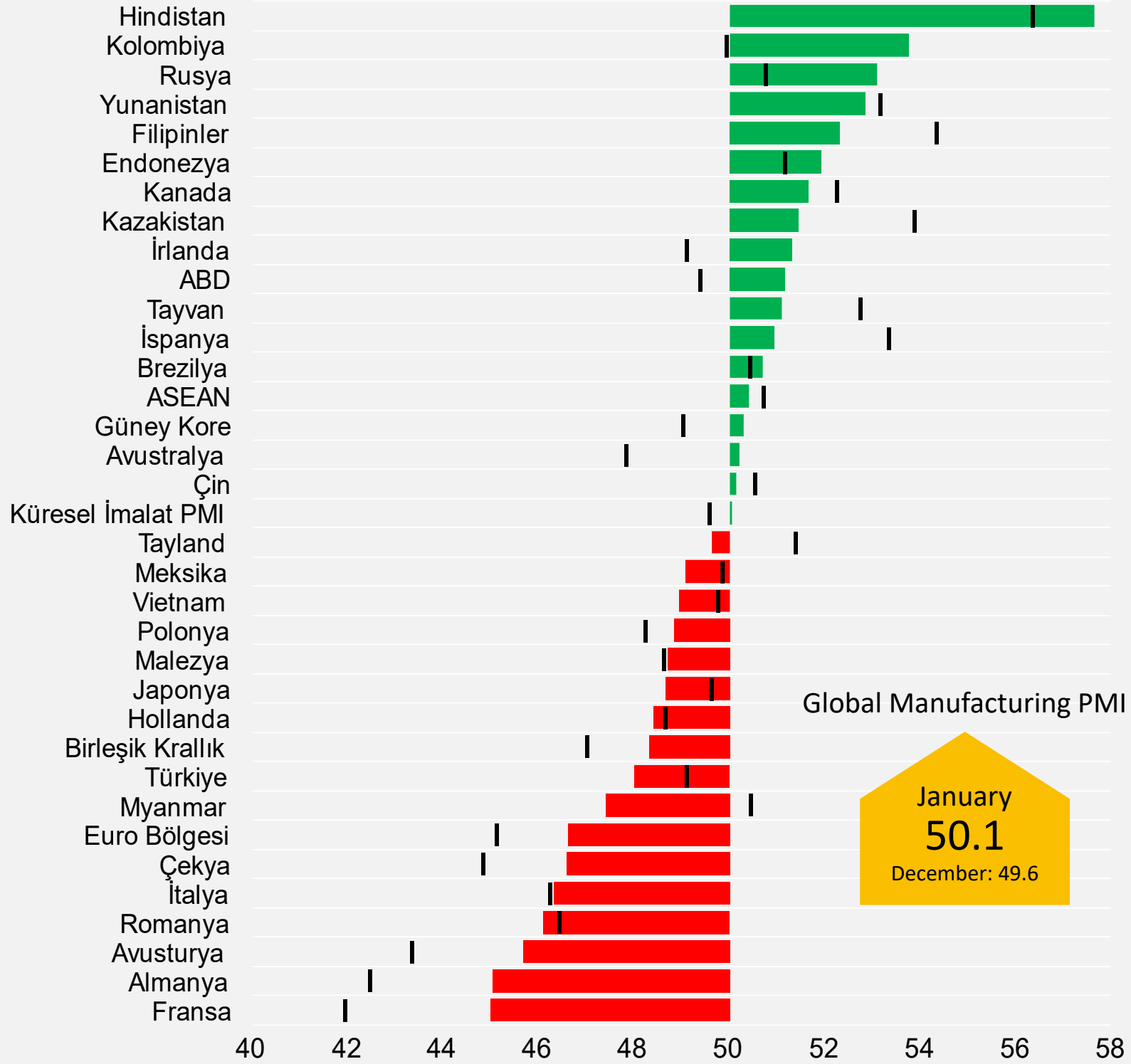




General Outlook

İmalat PMI, Ocak 2025

(>50 = Geçen aya göre iyileşme)



The Indian manufacturing sector starts 2025 with accelerated growth.

- Global Manufacturing Purchasing Managers' Index® (PMI) posted 50.1 in January, 0.5 points up from last month. Although limited, the manufacturing sector signaled growth for the first time in 7 months.
- Among the 32 national economies for which PMI data are available, it was noteworthy that the number of economies posting higher than the threshold value of 50 increased to 16 from 12. Growth accelerated in 4 countries, and 5 countries, which were in contraction zone in December, recovered in January.
- Global Manufacturing PMI Manufacturing Index rose to 50.6 in January from 49.2 in December, marking the most significant increase in output since June 2024. This was driven by the recovery in new orders. On the other hand, the decline in new export orders continued, albeit at a slower pace.
- Despite the moderate improvement in demand and output, labor markets continued to deteriorate. The contraction in employment reached its sixth month in January and accelerated compared to the previous month.
- Input costs increased at the highest rate in the last 5 months. It was also reflected in selling price inflation. Suppliers' lead times continued to lengthen despite the decline in input purchases.
- Istanbul Chamber of Industry Türkiye Manufacturing PMI dropped to 48.0 in January from 49.1 in December, after rising by a total of 4.8 points in the last three months of 2024. The decline in output, new orders and employment accelerated slightly compared to December. Input price inflation increased due to wage hikes. A similar situation was observed in finished product prices.

Source: S&P Global PMI.

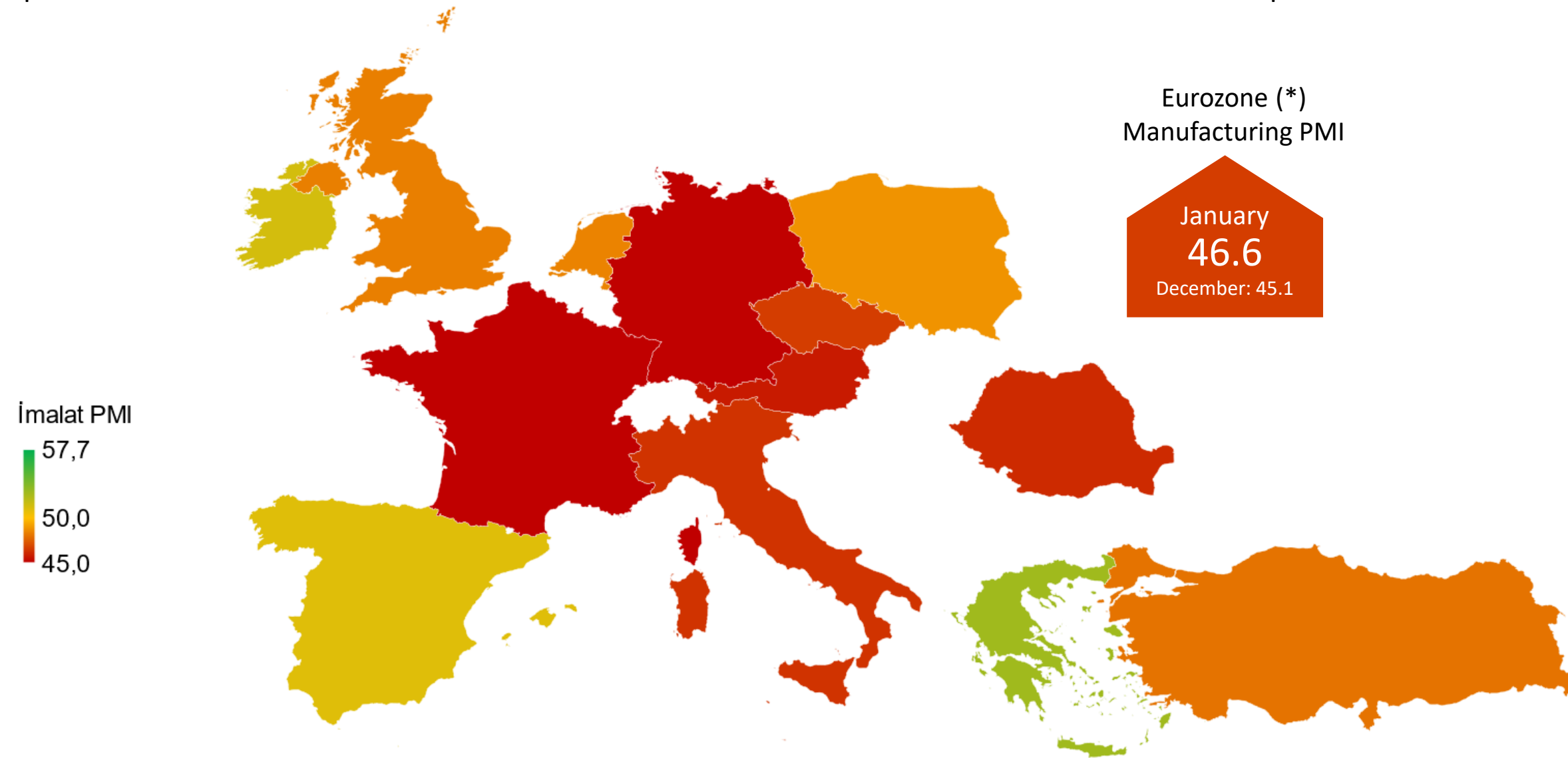
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

The contraction in the Eurozone manufacturing sector eased.

- Eurozone Manufacturing PMI rose to 46.6 in January from 45.1 in December, indicating that the deterioration in business conditions continued, but eased compared to the previous month. The contraction in output and new orders lost momentum while expectations improved, but the decline in employment accelerated. Despite rising input costs, selling prices remained flat.
- In Spain and Greece, the manufacturing sector continued to expand but lost momentum compared to December. Ireland, on the other hand, shifted from contraction to growth zone in January. The contraction slowed in the Eurozone's three largest economies, Germany, France and Italy, as well as in Austria. The Netherlands was the only country in the region where the deterioration deepened.
- In the UK, Manufacturing PMI recovered from its lowest level in almost a year, but pointed to a continued contraction in the manufacturing sector.
- Manufacturing PMI data in Poland and Czechia signaled ease of contraction, while weakness became more significant in Romania.



Manufacturing PMI	December 2024	January 2025
Greece	53.2	52.8
Ireland	49.1	51.3
Spain	53.3	50.9
Poland	48.2	48.8
The Netherlands	48.6	48.4
United Kingdom	47.0	48.3
Türkiye	49.1	48.0
Czech Republic	44.8	46.6
Italy	46.2	46.3
Romania	46.4	46.1
Austria	43.3	45.7
Germany	42.5	45.0
France	41.9	45.0

Source: S&P Global PMI.

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



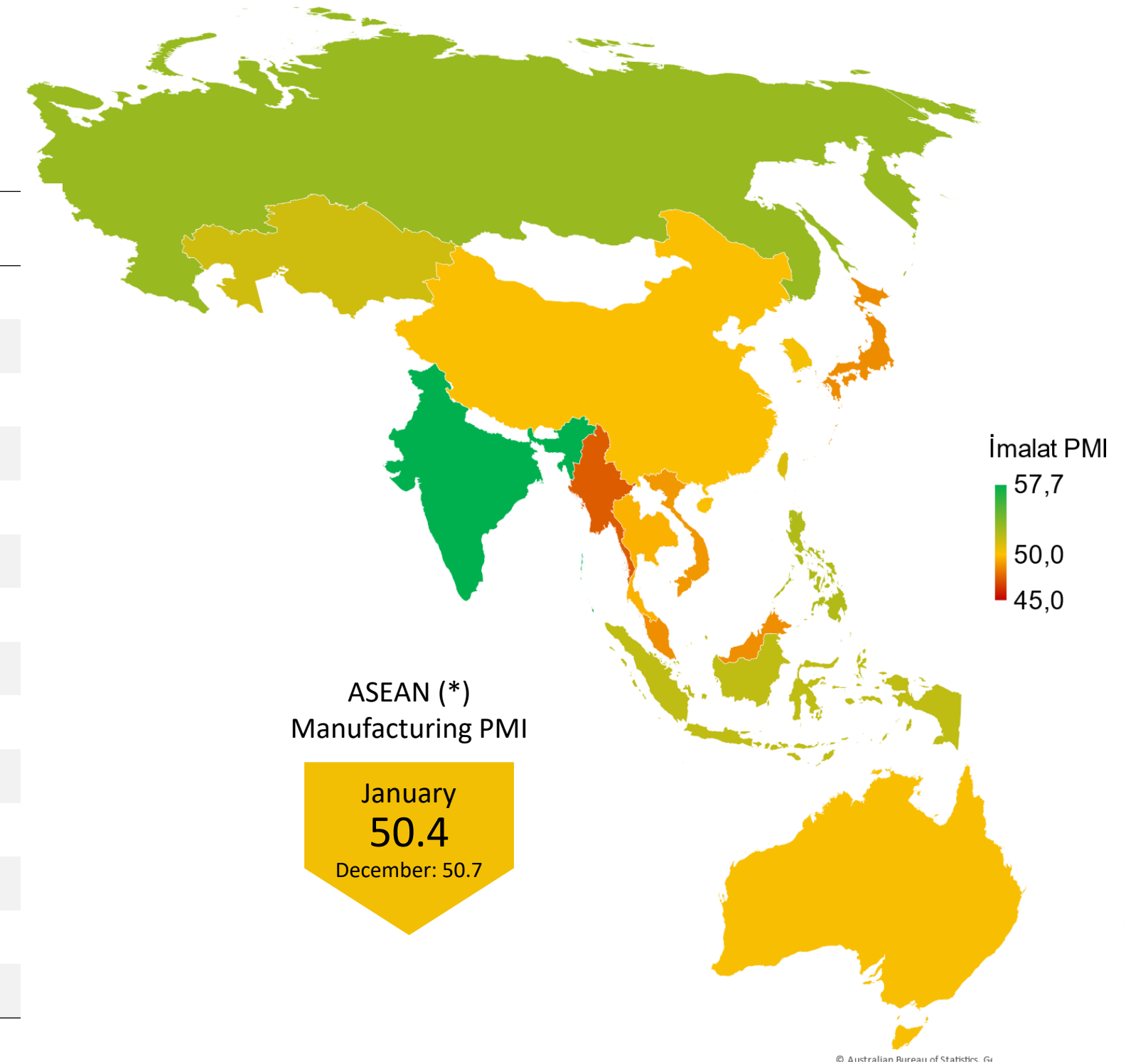
Asia-Pacific

The year 2025 begins with a significant divergence in the region.

- The Asia-Pacific region entered the new year with a complex outlook. Growth was slow in China and strong in Russia and India. Japan and most of Southeast Asia showed negative outlook.
- In China, despite the decline in the headline Manufacturing PMI, output and orders continued to rise, led by domestic demand. Shorter lead times and a decline in employment limited the index.
- The highest Manufacturing PMI was again recorded in India. The increase in exports reached a 14-year peak, which supported output.
- In Japan, Manufacturing PMI fell to a 10-month low of 48.7 due to weakness in both supply and demand.
- In South Korea, output and new orders started to grow again, albeit slightly, pushing the Manufacturing PMI above the 50.0 threshold value.
- In Taiwan, manufacturing industry grew at the slowest pace in the last 3 months. Growth in output and orders slowed down while employment losses continued.
- Russia Manufacturing PMI reached 53.1, the highest level in the last 6 months. Order, output and employment growth gained momentum in the sector.
- In Australia, manufacturing output resumed growth, while orders recorded the mildest decline in 2 years.
- ASEAN (*) Manufacturing PMI fell to 50.4 in January, the lowest level in the last 11 months. The slowdown in demand was reflected on output, which was decisive in the decline in the index. All countries in the region except the Philippines and Indonesia started 2025 with

Manufacturing PMI	December 2024	January 2025
India	56.4	57.7
Russia	50.8	53.1
Philippines	54.3	52.3
Indonesia	51.2	51.9
Kazakhstan	53.9	51.5
Taiwan	52.7	51.1
South Korea	49.0	50.3
Australia	47.8	50.2
China	50.5	50.1
Thailand	51.4	49.6
Vietnam	49.8	48.9
Malaysia	48.6	48.7
Japan	49.6	48.7
Myanmar	50.4	47.4

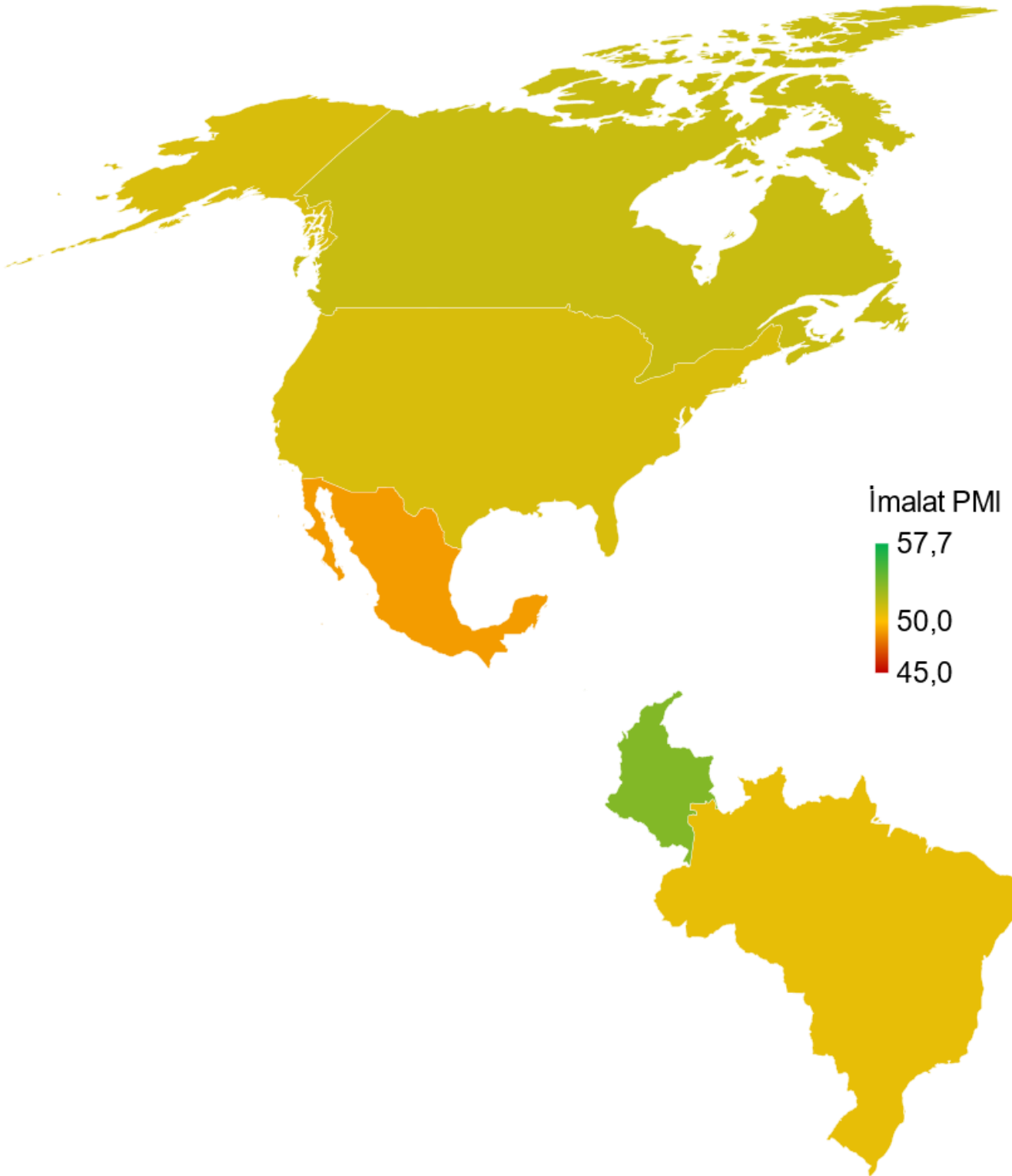
Source: S&P Global PMI.



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



America



Manufacturing PMI	December 2024	January 2025
Colombia	49.9	53.8
Canada	52.2	51.6
USA	49.4	51.2
Brazil	50.4	50.7
Mexico	49.8	49.1

Source: S&P Global PMI.

Risk of trade war affects the trust in manufacturing sectors of Canada and Mexico negatively

- The US manufacturing sector started 2025 with a recovery. Output and new orders resumed growth in January, while employment continued to increase as a result of improved expectations. The ongoing rise in input costs was reflected in sales prices, indicating that inflationary pressures have strengthened.
- The Trump administration's steps on tariffs have deteriorated expectations in the Canadian manufacturing sector, slowing down the increases in both output and new orders. On the other hand, the early withdrawal of orders in some firms due to the risk of additional tariffs supported output and employment.
- Confidence also weakened in Mexico due to trade uncertainties. The ongoing decline in new orders, including exports, led to an accelerated contraction in output.
- In Brazil, Manufacturing PMI remained in the growth zone at 50.7, but output remained stagnant and new order growth remained below the trend of recent months. Tight monetary and fiscal policy as well as exchange rate movements put pressure on the sector.
- In Colombia, the new year started with a significant recovery after the deterioration in December. Manufacturing PMI reached its highest value in the last 1 months.



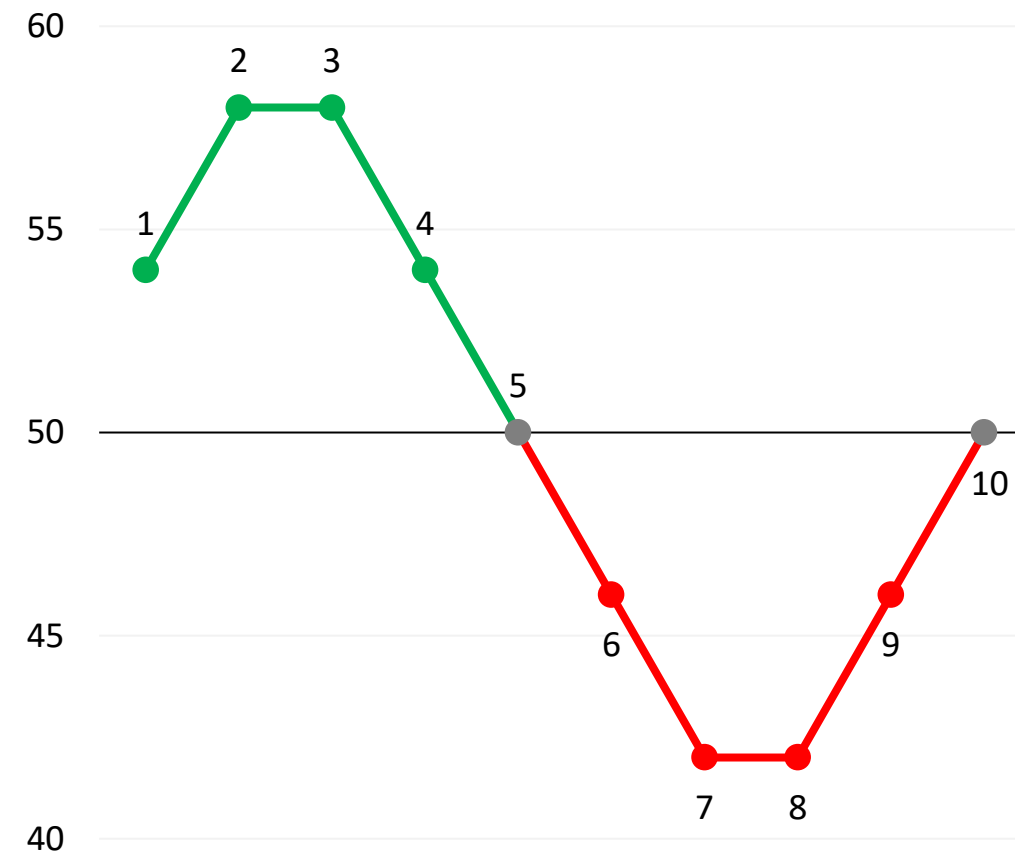
Methodology

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



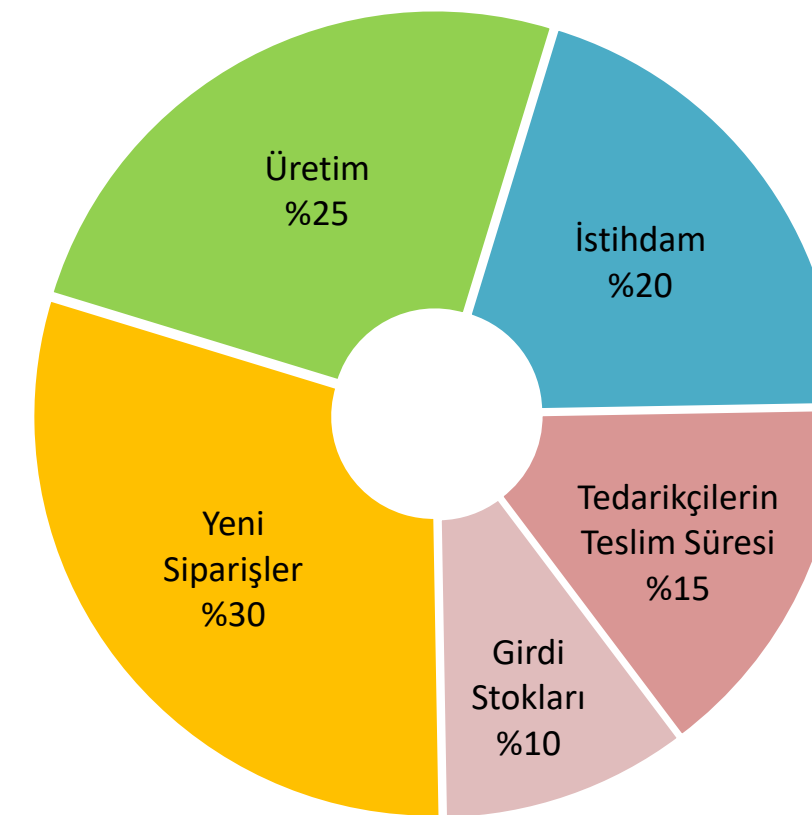
How is the manufacturing PMI calculated?

- 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 32 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 32 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.



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