



İSTANBUL
SANAYİ ODASI

Developments in the Global Manufacturing PMI®

May 2025

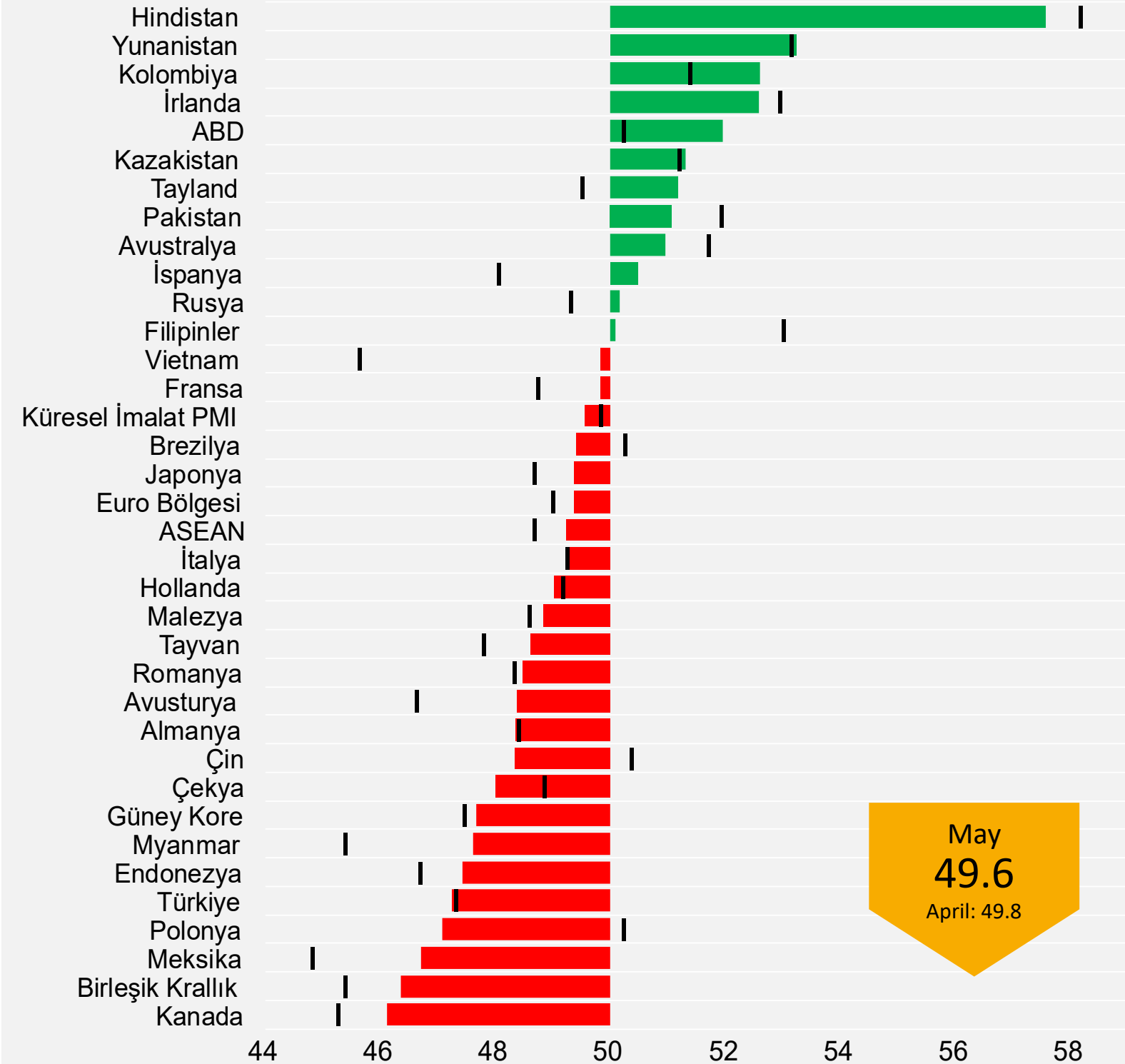




General Outlook

İmalat PMI, Mayıs 2025

(>50 = Geçen aya göre iyileşme)



May sees a decline in global manufacturing output and recovery in expectations

- The Global Manufacturing Purchasing Managers' Index® (PMI) dropped to 49.6 in May from 49.8 in April. The index pointed to a slight deterioration in overall business conditions in the global manufacturing sector for the second consecutive month.
- As in April, the Manufacturing PMI remained above the 50.0 threshold value in 12 of the 33 national economies monitored under the survey in May. The slowdown in contraction in 13 of the other 21 countries compared to the previous month was the positive development of the month.
- Contraction in total new orders accelerated, and new export orders dropped for the second consecutive month due to the impact of global trade uncertainties. As a result, global output volumes recorded their first decline in 2025 in May. The declining trend of employment reached its 10th month.
- On the other hand, expectations, after dropping to its weakest level in 2.5 years in April, showed signs of recovery in May following the agreement reached between the US and China on tariffs.
- The Istanbul Chamber of Industry Türkiye Manufacturing PMI fell to 47.2 in May, after remaining at 47.3 in March and April, marking the lowest level in the past seven months. As the downward trend in new orders neared two years, firms slowed down output, staffing numbers, and purchasing activities. However, signs of easing were observed in inflationary pressures.

Source: S&P Global PMI.

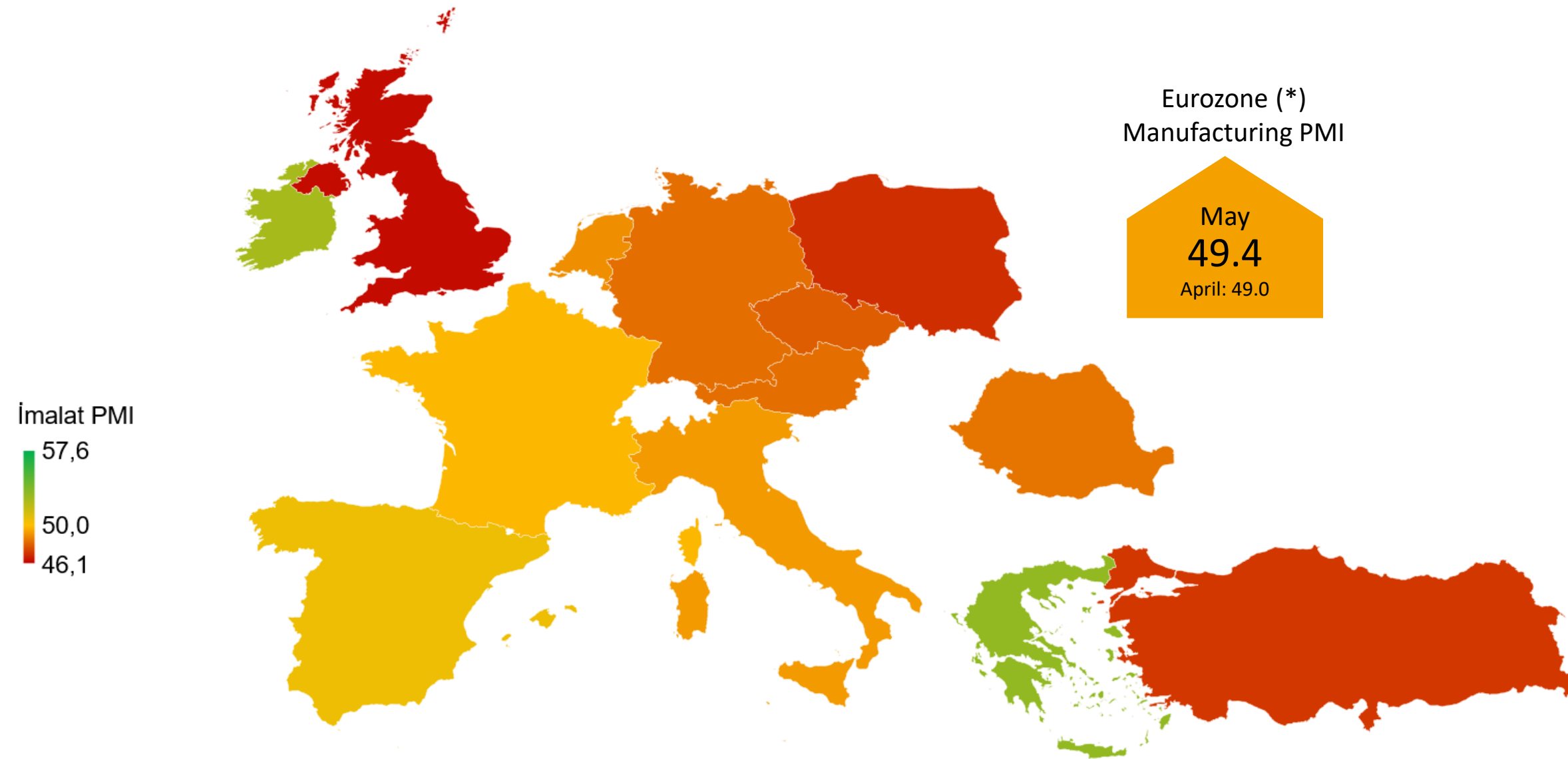
Note: The index values of the previous month are illustrated with vertical black lines to indicate the rises or drops of the index compared to the previous month.



Europe

Output volume in the Eurozone increases for the third consecutive month

- The Eurozone Manufacturing PMI rose to 49.4 in May from 49.1 in April, marking its highest level in 33 months. Output recovered for the third consecutive month while the prolonged decline in demand slowed down. Expectations reached their most optimistic level since February 2022. As a result, the decline in employment was the mildest in more than 2.5 years.
- Germany again recorded the weakest performance among the eight Eurozone countries for which PMI data was available. Spain joined Greece and Ireland in the growth zone in May. Contraction in France came to a near standstill, while deterioration continued in Italy and the Netherlands at rates close to the previous month.
- The UK Manufacturing PMI remained weak at 46.4 in May, despite a 1-point increase. Output, employment, and new orders continued to decline, while inflation showed a decrease.
- Poland's manufacturing sector returned to contraction zone due to declining orders. Romania and the Czech Republic also saw a general trend of deterioration.



Manufacturing PMI	April 2025	May 2025
Greece	53.2	53.2
Ireland	53.0	52.6
Spain	48.1	50.5
France	48.7	49.8
Italy	49.3	49.2
The Netherlands	49.2	49.0
Romania	48.3	48.5
Austria	46.6	48.4
Germany	48.4	48.3
Czech Republic	48.9	48.0
Türkiye	47.3	47.2
Poland	50.2	47.1
United Kingdom	45.4	46.4

Source: S&P Global PMI.

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

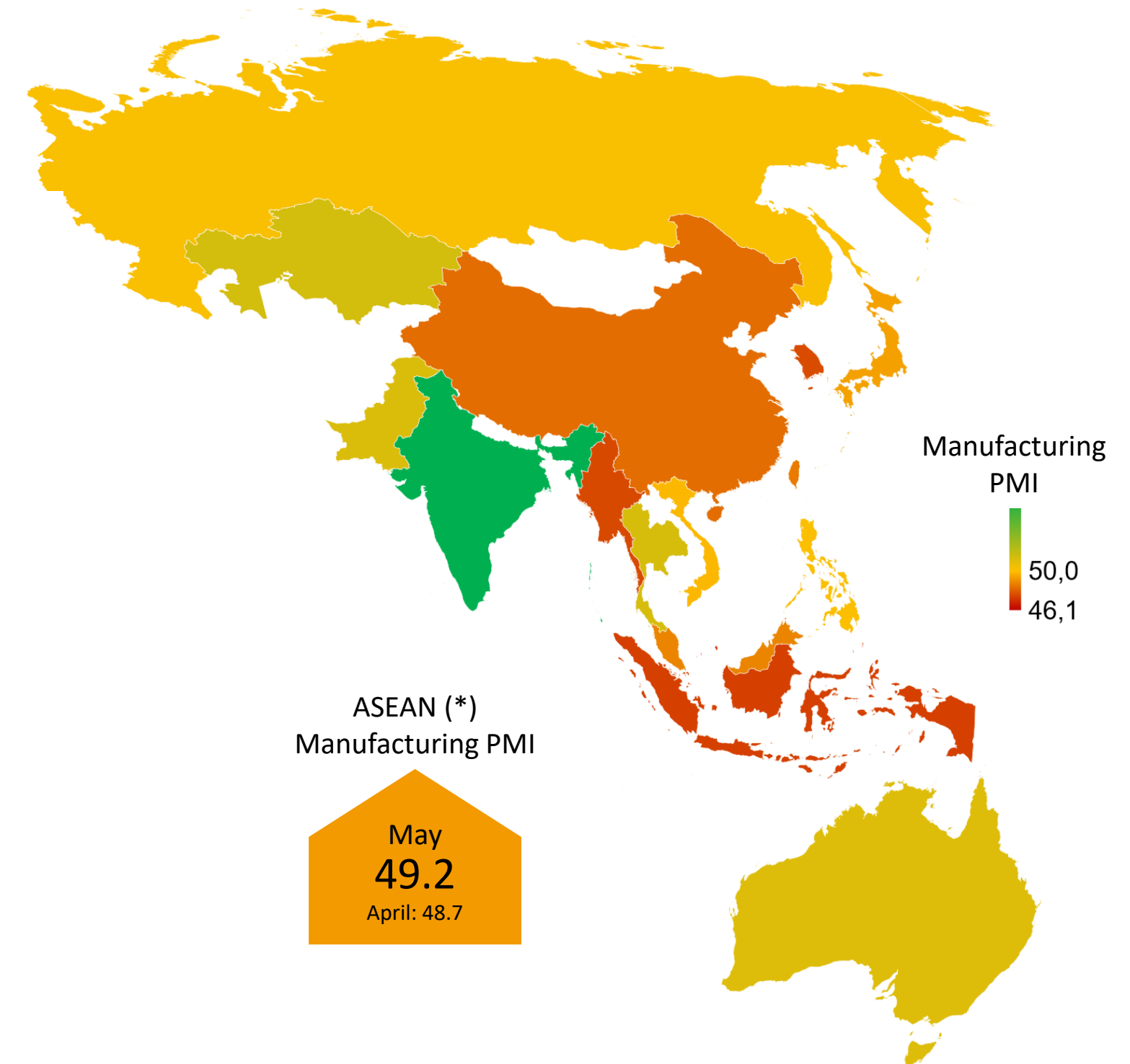
Asia-Pacific

China's manufacturing sector records a significant contraction in May

- The China Manufacturing PMI fell to 48.3 in May from 50.4 in April, following a 0.8 point decline in April, signaling the sharpest contraction in 32 months as demand deteriorated further.
- Despite a partial loss of momentum in output and orders, India's PMI remained the highest among 33 countries.
- In Japan, although business conditions remained weak, the contraction in May was the mildest in five months.
- South Korea experienced its sharpest drops in output and new orders in recent years. On the other hand, expectations improved in May.
- In Taiwan, the weak demand environment continued to affect the manufacturing sector. The manufacturing PMI remained below 50 for the third consecutive month.
- In Russia, despite a decline in output due to supply issues, orders saw their strongest increase in four months.
- In Australia, growth lost momentum compared to April due to a renewed contraction in output and a slowdown in demand.
- The ASEAN (*) region recorded its sharpest drop in new orders since August 2021. However, the drop in output and employment slowed down. Thailand moved into growth zone from contraction, while the Philippines experienced a significant slowdown.

Manufacturing PMI	April 2025	May 2025
India	58.2	57.6
Kazakhstan	51.2	51.3
Thailand	49.5	51.2
Pakistan	51.9	51.1
Australia	51.7	51.0
Russia	49.3	50.2
Philippines	53.0	50.1
Vietnam	45.6	49.8
Japan	48.7	49.4
Malaysia	48.6	48.8
Taiwan	47.8	48.6
China	50.4	48.3
South Korea	47.5	47.7
Myanmar	45.4	47.6
Indonesia	46.7	47.4

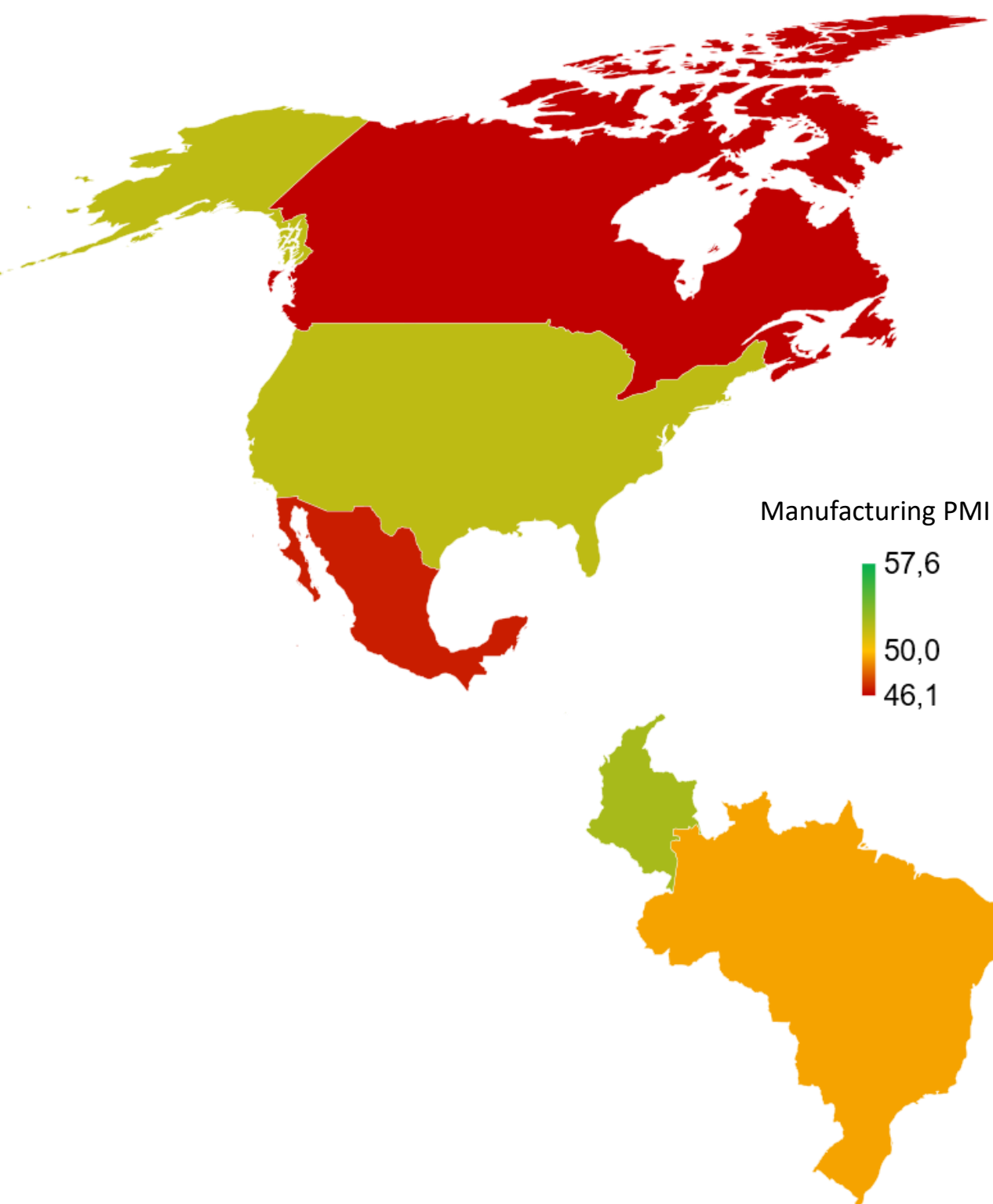
Source: S&P Global PMI.



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

America

The US manufacturing sector gains momentum in May, but the negative effects of tariffs continues



Manufacturing PMI	April 2025	May 2025
Colombia	51.4	52.6
USA	50.2	52.0
Brazil	50.3	49.4
Mexico	44.8	46.7
Canada	45.3	46.1

Source: S&P Global PMI.

- Firms' decision to bring forward orders and build up stocks in response to the negative impact of customs duties on supply chains and prices was a key factor in the rise in the US Manufacturing PMI index in May. Weakness in exports and output continued, while sales prices saw their highest increase in 30 months.
- Increased customs tariffs continued to put pressure on Canada's manufacturing sector. Although the contraction in output slowed in May compared to April, it was still significant. Employment recorded its sharpest decline in nearly five years.
- In Mexico, output dropped, mainly due to the impact of a drop in export orders. Factors such as customs tariffs, high uncertainty, and delayed investments contributed to continued weakness in expectations.
- Brazil's Manufacturing PMI fell below the 50.0 threshold in May, reaching its lowest level in 17 months. Output contracted due to ongoing weakness in demand.
- Colombia, however, continued to outperform the region, driven by strong output and demand conditions.



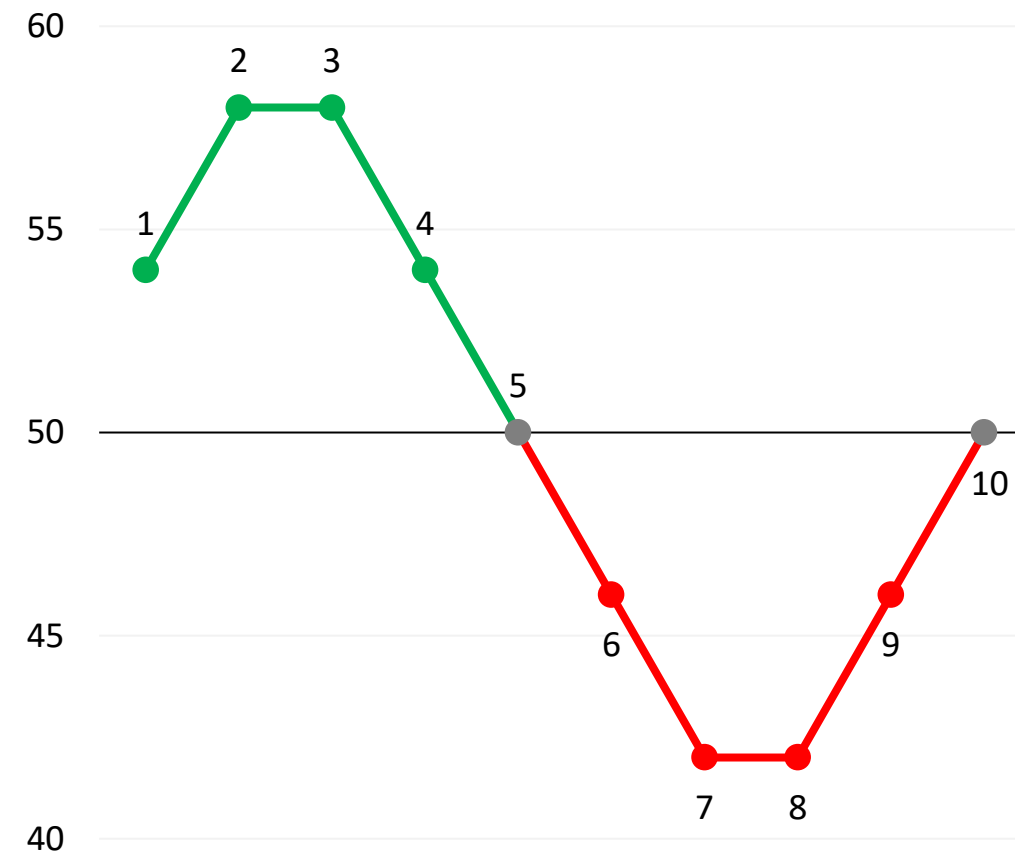
Methodology

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



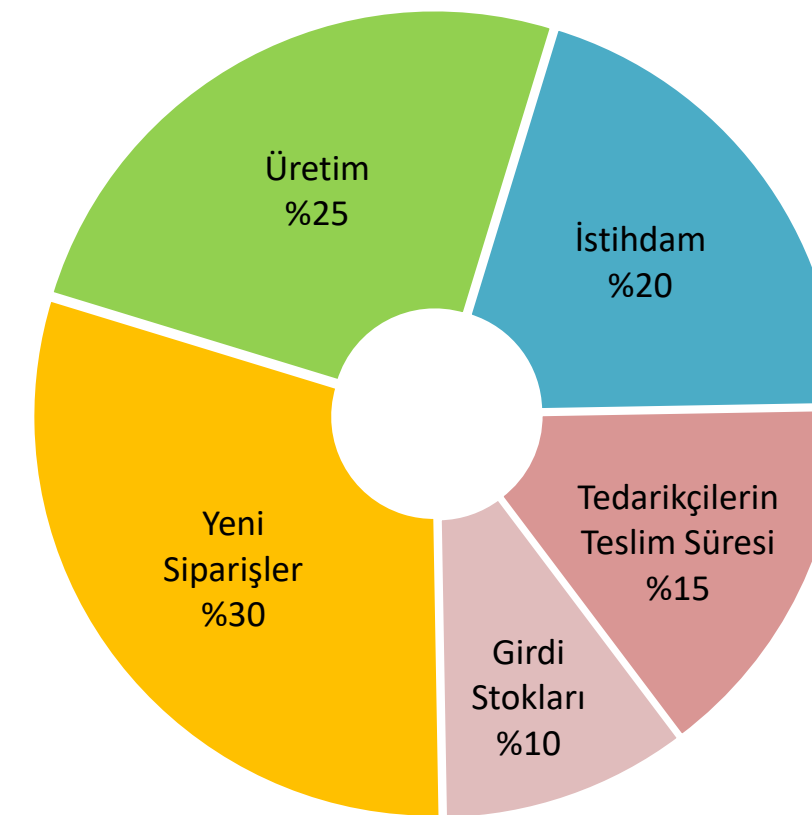
How is the manufacturing PMI calculated?

- 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 33 countries, including Türkiye. 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 33 countries and 3 regions (World, Eurozone, ASEAN) where the manufacturing industry-specific PMI indexes were produced.



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