

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

PMI at 49.2 in April

April 2022 Key findings:

- Demand remains muted amid ongoing price pressures
- Suppliers' delivery times lengthen markedly
- Employment continues to rise

Summary

The latest PMI® survey data from Istanbul Chamber of Industry and S&P Global indicated that business conditions in the Turkish manufacturing sector continued to moderate in April amid subdued demand, price and supply pressures and the impacts of the war in Ukraine.

The headline Istanbul Chamber of Industry Türkiye Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The headline PMI registered 49.2 in April, down fractionally from 49.4 in March and indicating a

second successive monthly moderation in the health of the sector.

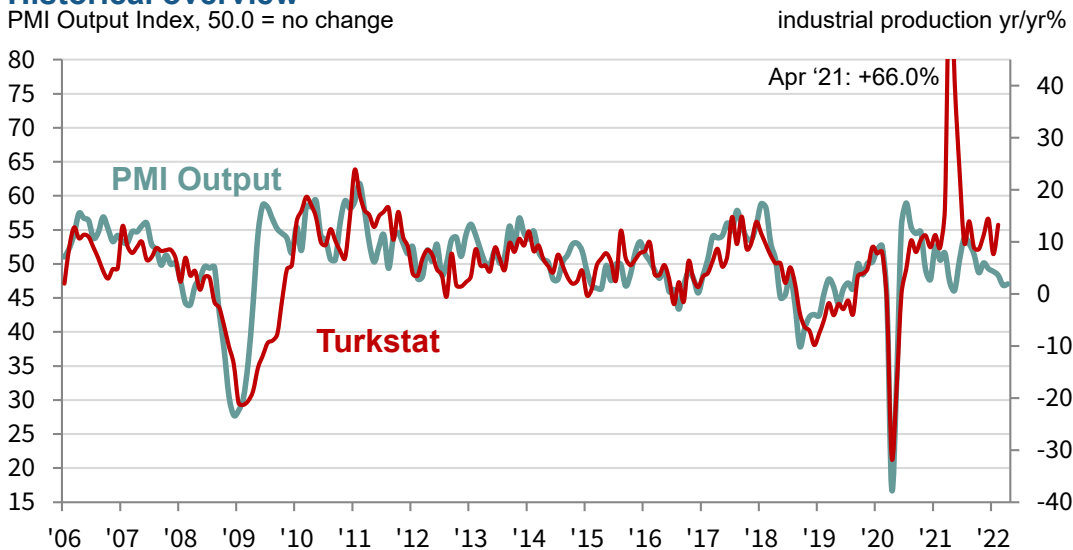
Manufacturing production slowed for the fifth month running at the start of the second quarter, albeit to a lesser extent than in March. A lack of demand, price pressures and the war in Ukraine were all reportedly factors leading to a scaling back of output.

Fragile demand was highlighted by a further easing of new orders as firms reported difficulties securing new business amid rising prices. New orders moderated for the seventh month in a row, while new export business slowed for the first time since January.

Cost pressures remained pronounced in April, although the rate of input price inflation eased for

Historical overview

PMI Output Index, 50.0 = no change



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the fourth successive month to the softest since last September. Exchange rate weakness and the war in Ukraine were the main factors causing higher cost burdens, according to respondents, with oil, natural gas and sea transportation all reportedly up in price. In turn, manufacturers raised their output charges markedly again.

Suppliers' delivery times lengthened amid widespread reports of difficulties securing raw materials. Although still sharp, the latest lengthening of lead times was the least pronounced in seven months.

Difficulties sourcing materials, rising costs and fragile demand contributed to the scaling back of purchasing activity and inventories of both purchases and finished goods in April.

On a more positive note, firms continued to expand their operating capacity by increasing employment for the twenty-third successive month. The rate of job creation was modest, but slightly faster than that seen in March.

Comment

Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing PMI survey data, Andrew Harker, Economics Director at S&P Global, said:

"The business climate facing manufacturers in Türkiye was challenging again in April as price pressures remained elevated and supply-chain disruption continued. The war in Ukraine added to these issues and also affected exports which softened for the first time in three months."

"That said, both cost pressures and supplier delays were at the least pronounced since September last year, providing some hope that conditions will become more conducive to growth as this quarter progresses."

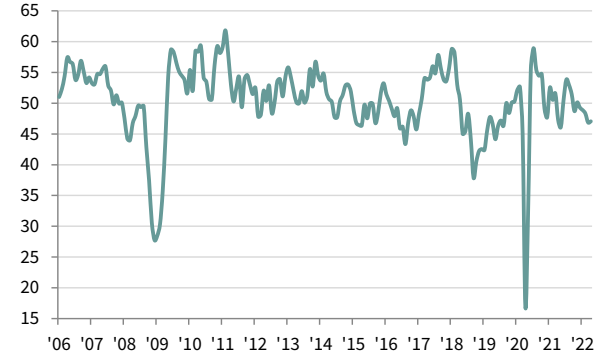
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Output Index

Q. Please compare your production/output this month with the situation one month ago.

As has been the case in each of the past five months, manufacturing production in Türkiye slowed during April. According to respondents, the latest moderation reflected a combination of fragile demand, inflationary pressures and the impacts of the war in Ukraine. That said, the easing of output was less pronounced than in the previous month.

sa, 50 = no change on previous month

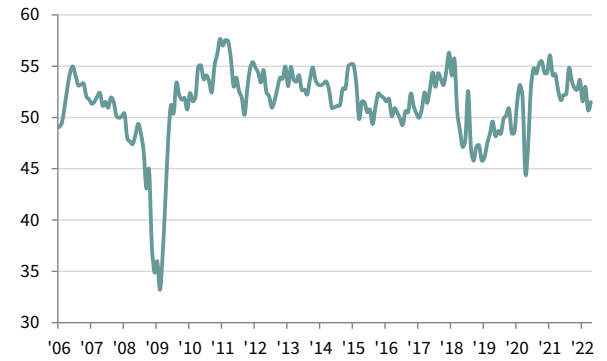


Employment Index

Q. Please compare the level of employment at your unit this month with the situation one month ago.

Despite further slowdowns in output and new orders, Turkish manufacturers continued to expand their operating capacity by taking on additional staff during April. Employment has now risen in each of the past 23 months. The latest increase was modest, but faster than that seen in March.

sa, 50 = no change on previous month



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Istanbul Chamber of Industry

Driving strength from her members' contributions to Turkish economy and since her foundation in 1952, Istanbul Chamber of Industry (ICI) stands out as Türkiye's largest chamber of industry and one of the most powerful representatives of Turkish industry. The added value generated by ICI members represents more than 40% of the total added value propagated by Turkish industry. ICI members actualize approximately 35% of production of Turkish industry. 36% of Türkiye's Top 500 Industrial Enterprises consists of ICI members.

ICI promotes the sustainable development of Turkish industry and contributes the improvement of her competitiveness via offering innovative services to her members. For this purpose, she develops new projects and services to the use of industrialists in crucial fields such as; innovation, technology development, university-industry cooperation, vocational training, international relations, environment and energy with local and international partnerships.

Generating and conducting economic researches together with gathering data, ICI holds the widest knowledge on Istanbul industry whilst giving direction to Turkish industrialists and providing intense contribution for shaping economic and industrial policies.

About S&P Global:

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

About PMI:

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. ihsmarkit.com/products/pmi.html.

Notes to Editors:

The Istanbul Chamber Of Industry Türkiye Manufacturing PMI® (Purchasing Managers' Index) is produced by S&P Global. The report features original survey data collected from a representative panel of around 400 companies based in the Turkish manufacturing sector. The panel is stratified by GDP and company workforce size, based on the industry contribution to GDP.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact economics@ihsmarkit.com.

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

April data were collected 11-22 April 2022.

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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