

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

July sees PMI reading of 45.9

July 2025
Key findings:

- Muted demand conditions lead to further slowdowns in output and new orders
- Employment and purchasing scaled back
- Firms make efforts to draw down inventories

Summary

The Turkish manufacturing sector lost further momentum in July as muted demand conditions resulted in more pronounced slowdowns in new orders and output. In turn, manufacturers scaled back their staffing levels and purchasing activity, plus made efforts to limit inventory holdings. Meanwhile, currency weakness was a key factor leading to further increases in input costs and output prices.

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 fell for the third consecutive month in July, posting 45.9 from a reading of 46.7 in June. The index signalled a marked moderation in the health of the sector, and one that was the most pronounced since October 2024. Business conditions have now eased in each of the past 16 months.

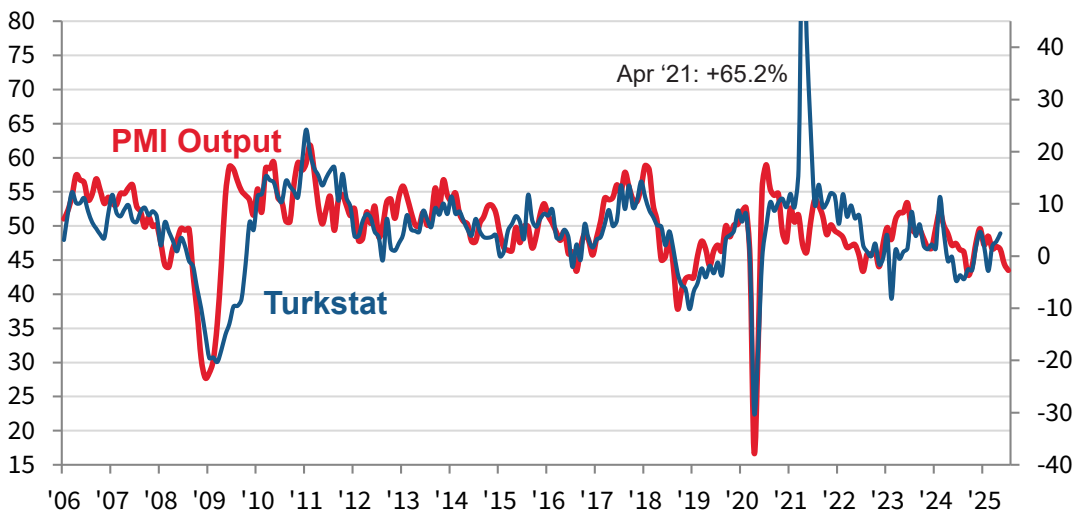
A key theme of the latest survey was the muted nature of customer demand. This resulted in a twenty-fifth consecutive monthly easing of new orders, with the latest moderation the most pronounced since March. Demand conditions in international markets were also subdued, and new export orders slowed again accordingly.

With new orders easing, manufacturers consequently

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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scaled back their production. Here too the pace of moderation quickened, resulting in the most pronounced slowdown in output for ten months.

Employment and purchasing activity were also reduced and manufacturers reported efforts to draw down inventories amid subdued new order inflows. Stocks of purchases eased to the largest degree since October 2024, while stocks of finished goods were depleted markedly following a slight rise in June.

Muted demand for inputs helped suppliers to speed up their deliveries, with lead times shortening for the fourth time in the past five months.

Manufacturers posted a further sharp increase in input costs during July, often linked by panellists to currency weakness. That said, the pace of inflation eased to the slowest in 2025 so far.

Selling prices meanwhile rose at a slightly faster pace than in June, albeit one that was relatively modest as some firms lowered charges amid efforts to secure sales.

Comment

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

"There was little in the way of positive news from the latest Türkiye manufacturing PMI as the challenges for firms in securing new orders percolated through the sector. Output, employment and purchasing were all scaled back, and firms looked to draw down inventories where possible. Currency weakness added to the difficult picture, pushing up input costs again. Manufacturers will be hoping to see some pick-up in demand conditions as the second half of the year progresses."

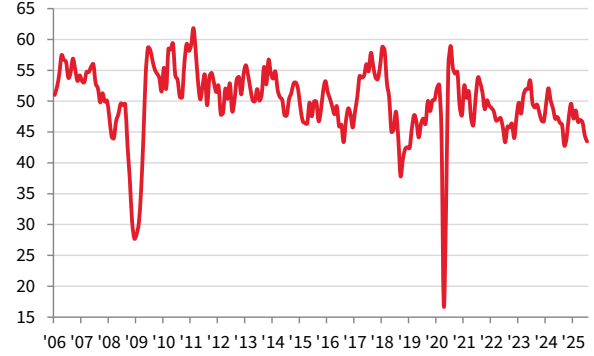
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Output Index

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

Turkish manufacturers continued to scale back their output during July amid reports of challenging market conditions and subdued new order inflows. Production has now eased in 16 successive months. Moreover, the pace of moderation quickened for the third consecutive month to the most pronounced since September 2024.

sa, 50 = no change on previous month

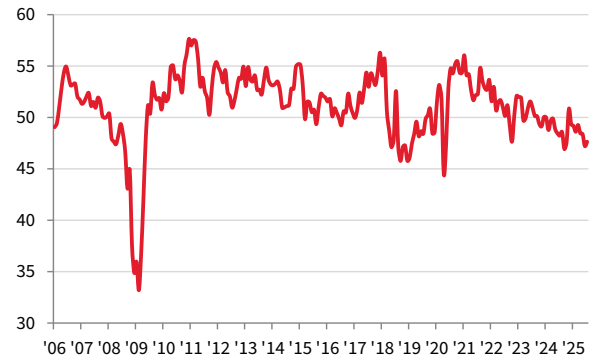


Employment Index

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

July data pointed to a further scaling back of employment in the Turkish manufacturing sector, extending the current period of moderation which began in December 2024. The latest slowdown was solid, albeit slightly softer than that seen in the previous survey period.

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:

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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. www.spglobal.com/marketintelligence/en/mi/products/pmi

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@spglobal.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.

July data were collected 10-24 July 2025.

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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