

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

## PMI dips to 48.4

October 2023  
Key findings:

- New orders moderate to largest extent in almost a year
- Renewed reduction in employment
- Inflationary pressures soften

## Summary

Turkish manufacturers endured a challenging demand environment at the start of the fourth quarter of the year, with new orders increasingly difficult to secure. As a result, production was scaled back and firms also acted to lower their employment and purchasing activity. There was some respite in terms of inflationary pressures, however, with both input costs and selling prices rising at softer rates than in September.

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 posted below the 50.0 no-change mark for the fourth consecutive month in October. At 48.4, the index signalled a modest easing of business conditions during the month, but one that was more pronounced than that seen in September (PMI at 49.6).

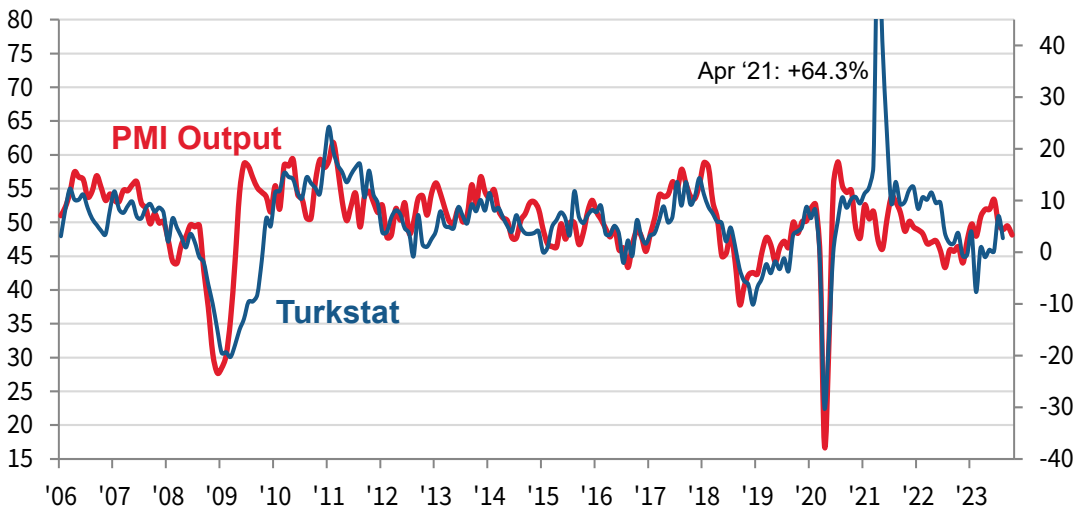
Widespread demand weakness, both domestically and internationally, was signalled by manufacturers in October. As a result, total new orders and new export business moderated over the course of the month. Moreover, total new business slowed to the largest degree since last November.

In line with the picture for new orders, production continued to be scaled back in October. Output has now eased in four consecutive months.

## Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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October data signalled a renewed reduction in employment, thereby ending a five-month sequence of job creation. Panellists reported a mix of resignations and retirements. Despite lower staffing levels, firms were still able to reduce backlogs of work to the largest extent for almost a year.

Manufacturers also scaled back their purchasing activity, stocks of purchases and inventories of finished goods in response to a drop in order requirements.

Inflationary pressures continued to wane at the start of the final quarter of the year. Rates of increase in input costs and output prices each eased for the third successive month. Where prices did rise, this was often linked to currency weakness.

### Comment

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

*"Demand conditions were the main limiting factor on the Turkish manufacturing sector in October, with firms struggling to secure sufficient volumes of new orders to support production and maintain staffing levels. There was some further respite in terms of inflation, however, which may provide some grounds for optimism that an improved demand environment can become established soon."*

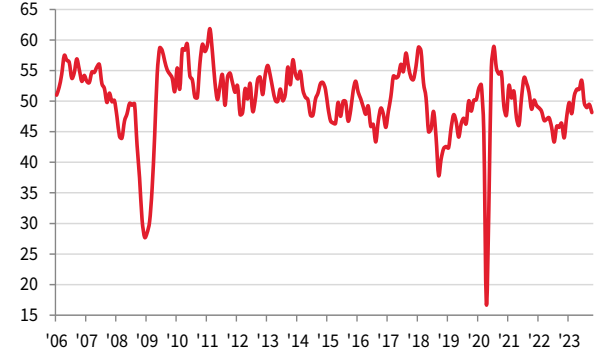
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### Output Index

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

Fragile demand conditions meant that Turkish manufacturers continued to face challenges raising production during October. Output softened for the fourth successive survey period. The latest moderation was more marked than that seen in September, but remained modest nonetheless.

sa, 50 = no change on previous month

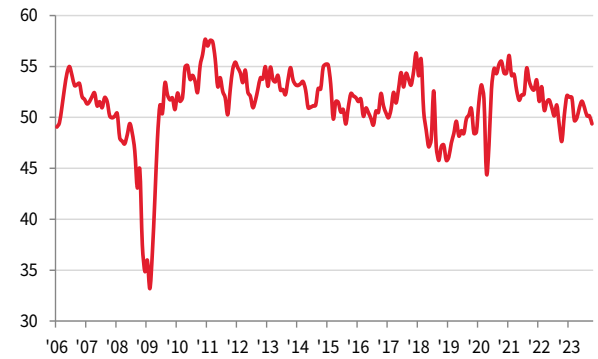


### Employment Index

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

Turkish manufacturers scaled back their workforce numbers in October, the first moderation in six months. That said, the slowdown in employment was only marginal. Anecdotal evidence suggested that the reduction in staffing levels was due to a combination of resignations and retirements.

sa, 50 = no change on previous month



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# Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

## 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](http://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. [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://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](mailto: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.

October data were collected 12-24 October 2023.

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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