

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

# PMI ticks up to 47.4

### December 2023 Key findings:

- Output and new orders slow further
- Employment stabilises
- Softest rise in input costs since May

### Summary

The final month of 2023 saw the current sequence of moderation in the Turkish manufacturing sector extend into a sixth successive month. Market conditions were challenging both domestically and abroad, resulting in a slowdown in new orders and scaling back of production. More positively, employment stabilised.

On the price front, the rate of input cost inflation eased to a seven-month low, but selling prices rose at a slightly faster pace.

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® ticked up to 47.4 in December from 47.2 in November, but continued to point to a moderation of business conditions in the manufacturing sector as 2023 drew to a close. The latest slowdown extended the current period of softening operating conditions to six months, contrasting with a sequence of improvement seen in the opening half of the year.

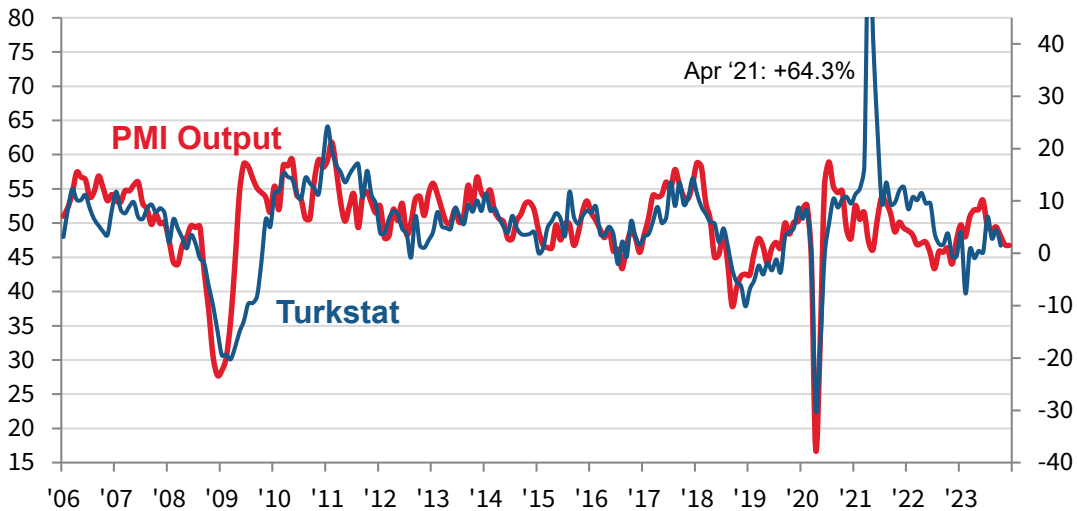
Manufacturing production eased to a broadly similar degree to the previous survey period, largely as a result of challenging market conditions.

A lack of demand was highlighted by further slowdowns in both total new orders and new

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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business from abroad, with firms able to work through backlogs again during the month.

Despite moderating workloads, employment stabilised in December, thereby ending a two-month sequence of moderation. Some panellists were keen to expand capacity, but others saw staffing levels ease amid lower new orders and resignations.

Purchasing activity was scaled back, and to the largest extent in four months. As a result, stocks of inputs also moderated. Weak demand for inputs helped suppliers to speed up their deliveries, ending an 11-month sequence of lengthening lead times.

Currency weakness, higher wages and increased raw material prices meant that input costs rose again in December, but the rate of inflation eased for the fifth month running. In contrast, output prices increased at the fastest pace since August.

### Comment

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

*"The moderation in the Turkish manufacturing sector seen at the end of 2023 summed up a challenging second half of the year for firms, with subdued demand a key feature. There was some good news for the labour market, however, with firms keen to keep workforce numbers stable heading into the new year.*

*"There were also further signs of cost pressures easing, and although that didn't translate into softer rises in selling prices in December, the potential for a more subdued inflationary environment in 2024 could provide some hope for a demand recovery in the sector."*

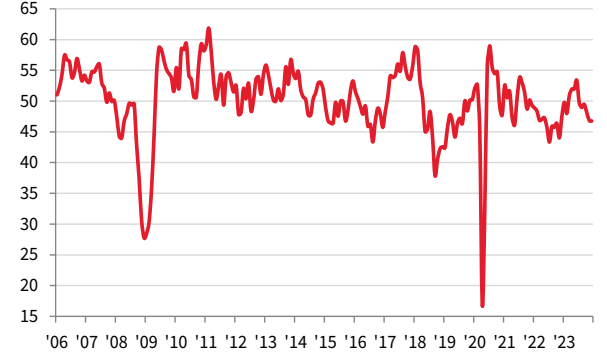
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### Output Index

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

Challenging market conditions both at home and abroad led to a further slowdown in Turkish manufacturing production during December. The solid moderation was broadly similar to that seen in the previous survey period. Output has now softened in six successive months.

sa, 50 = no change on previous month

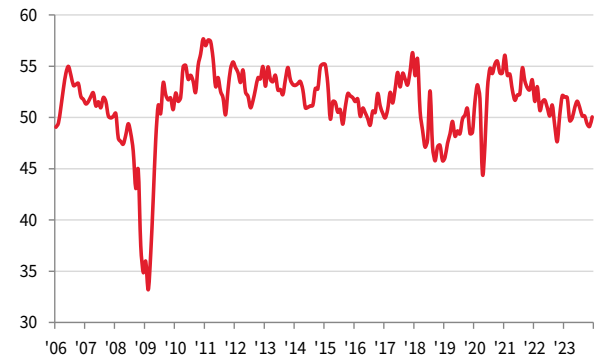


### Employment Index

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

The final month of 2023 saw a broad stabilisation of employment in the Turkish manufacturing sector, thereby ending a two-month sequence of moderation. Some firms reported taking on additional workers amid business investment and the need to expand capacity. Conversely, a lack of new orders and staff resignations meant that other manufacturers saw employment soften.

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.

December data were collected 06-15 December 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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