

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

# PMI at neutral 50.0 mark in March

### March 2024 Key findings:

- Output ticks higher, while new orders and employment near stabilisation
- Input buying increases for second month running
- Rates of inflation moderate but remain marked

### Summary

Latest PMI® data signalled unchanged operating conditions for Turkish manufacturers in March. Output ticked higher, while new orders and employment neared stabilisation. Signs of demand improvements encouraged firms to expand their purchasing activity, but inventories continued to be drawn down. Meanwhile, rates of inflation softened but remained elevated.

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 at the 50.0 no-change mark in March, ticking down slightly from a reading of 50.2 in February. Business conditions were therefore stable overall during the month.

The stability in the health of the sector reflected little-change in the main components of the headline index. Manufacturing production increased fractionally in March, while new orders and employment eased marginally but neared stabilisation.

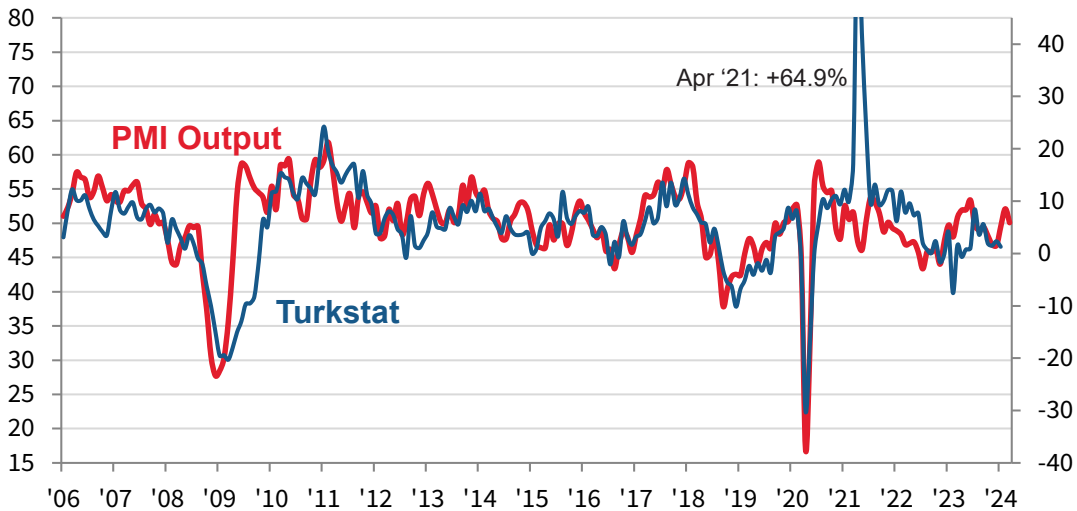
In fact, new orders softened to the least extent in nine months, with this relative improvement in the demand environment encouraging some firms to expand production and increase purchasing activity.

The respective increases in output and input buying were the second in as many months, with the rate

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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of expansion in purchasing more marked than that seen in February.

Inventories continued to moderate, however, with stocks of both purchases and finished goods scaled back at the end of the first quarter. Some firms experienced delays in receiving inputs as a result of disruption in the Red Sea, with lead times lengthening for the third month running.

Weakness of the lira against the US dollar was again a key factor pushing up input prices, while some firms also reported rising raw material costs. The rate of input cost inflation remained sharp, but eased to a three-month low.

Selling prices also rose at the softest pace in three months during March, but the rate of inflation remained marked and was sharper than the series average.

### Comment

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

*"March was a month of stability for Turkish manufacturers. New orders continued the recent move towards stabilisation and this improving picture prompted further modest increases in output and purchasing. If the recent trend in demand continues we should hopefully see growth building momentum as we go through the second quarter of the year."*

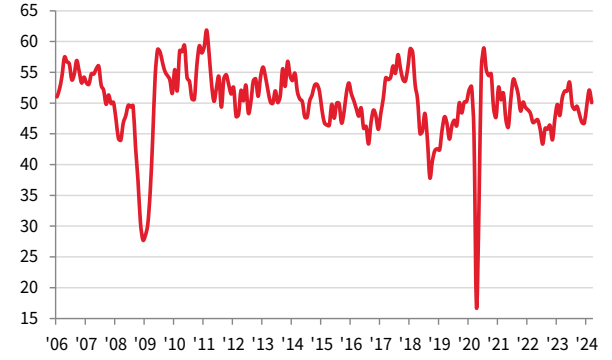
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### Output Index

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

Output ticked higher in March, rising for the second month running amid tentative signs of improvement in demand. The rate of expansion was only fractional, however, and softer than that seen in February. Some firms indicated that economic conditions remained challenging, limiting the scope for production increases.

sa, 50 = no change on previous month

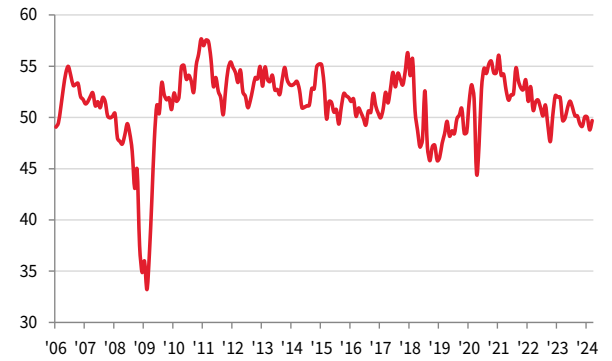


### Employment Index

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

Employment was scaled back for the second consecutive month in March, although the latest moderation was only marginal and softer than that seen in February. While some respondents indicated that staffing levels had dipped amid resignations and retirements, others indicated that they had aimed to secure more full-time workers during the month.

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.

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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](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.

March data were collected 12-21 March 2024.

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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