

## Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

# October sees PMI reading of 45.8

### October 2024 Key findings:

- Further moderations in output and new orders
- Employment scaled back
- Softer inflationary pressures

### Summary

Turkish manufacturers continued to face a challenging environment as the final quarter of the year got underway, although rates of moderation in output, new orders, purchasing activity and employment softened since September. Stocks of purchases meanwhile were scaled back to the largest extent in almost four-and-a-half years. On the price front, both input costs and output prices rose at softer rates.

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 45.8 in October, up from 44.3 in September but still below the 50.0 no-change mark and therefore signalling a moderation of business conditions during the month. The health of the sector has eased in each survey period since April.

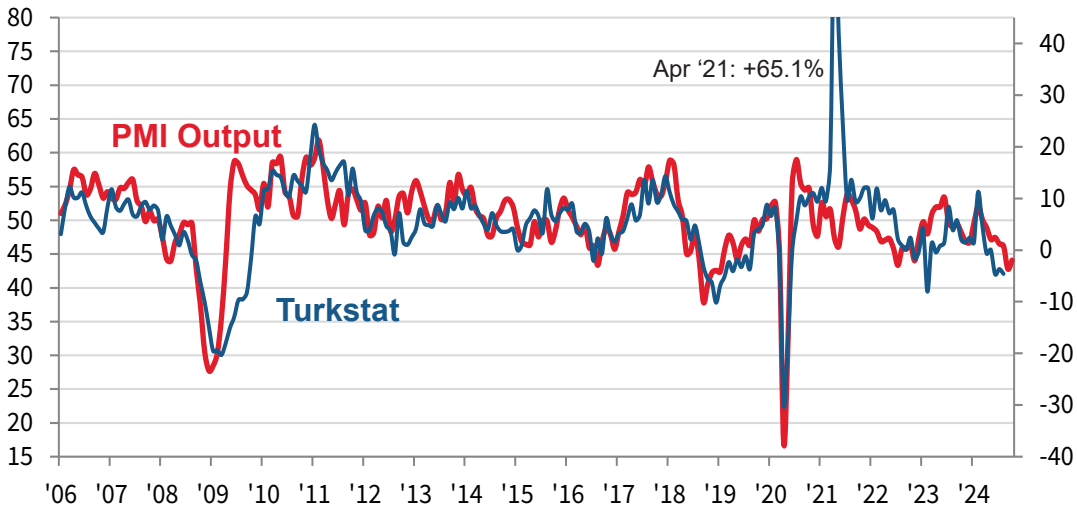
Market conditions remained challenging, leading to muted demand and further slowdowns in total new orders and exports. In turn, manufacturers scaled back production for the seventh month running. In all cases, however, rates of moderation softened from September.

Employment and purchasing activity were also scaled back in response to muted new orders, although in some cases firms reported that voluntary

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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resignations had caused a drop in staffing levels. Meanwhile, stocks of purchases decreased to the largest extent since May 2020.

Inflationary pressures continued to soften at the start of the final quarter of the year. Input costs rose markedly, but at the softest pace for almost a year-and-a-half. The pace of output price inflation also eased.

Currency weakness remained a key factor leading to higher costs. Meanwhile, higher prices for raw materials such as wheat were mentioned, alongside increased transportation costs.

Finally, suppliers' delivery times lengthened in October following a first improvement in vendor performance for nine months during September. Latest data signalled only a modest lengthening of lead times, however.

### Comment

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

*"Although rates of moderation in a range of key variables such as output, new orders and employment softened in October, the latest data showed that the Turkish manufacturing sector remained under pressure due to challenging demand conditions. Notably, firms scaled back their holdings of inputs to the largest extent in almost four-and-a-half years.*

*"On a more positive note, inflationary pressures eased again, at least reducing the impact of this particular headwind to growth."*

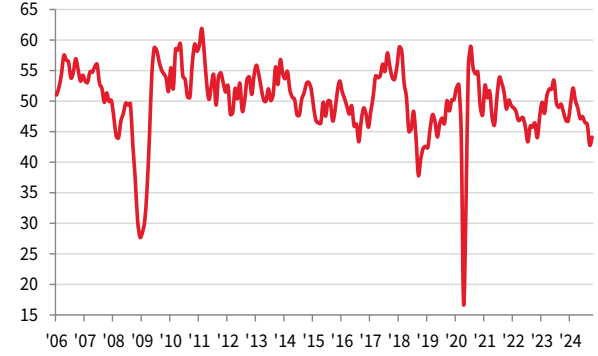
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### Output Index

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

Challenging demand conditions meant that Turkish manufacturers saw a further slowdown in production during October, thereby extending the current period of moderation to seven months. The latest softening of output was marked, albeit less pronounced than seen in the previous survey period.

sa, 50 = no change on previous month

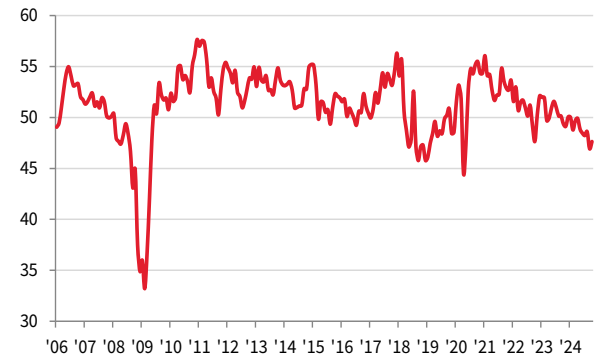


### Employment Index

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

Employment moderated in the Turkish manufacturing sector at the start of the final quarter of the year. In some cases, the latest slowdown reflected deliberate attempts to adjust workforce numbers in line with lower new orders, while elsewhere firms reported voluntary resignations. The latest easing of employment was solid but slightly softer than in September.

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.

October data were collected 10-24 October 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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