

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

PMI rises to 48.3 in February

February 2025 Key findings:

- Further slowdown in new orders
- Output, employment and purchasing scaled back
- Selling prices rise at fastest pace since last September

Summary

Business conditions remained challenging in the Turkish manufacturing sector in February as muted market demand fed through to slower new orders, output and employment. Meanwhile, rates of both input cost and output price inflation quickened from the start of the year.

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 rose slightly to 48.3 in February from 48.0 in January, but it remained below the

50.0 no-change mark and therefore pointed to a moderation of business conditions midway through the opening quarter of the year. The health of the sector has eased continuously since April 2024.

Subdued demand conditions were reported by survey respondents in February, contributing to further slowdowns in both new orders and output.

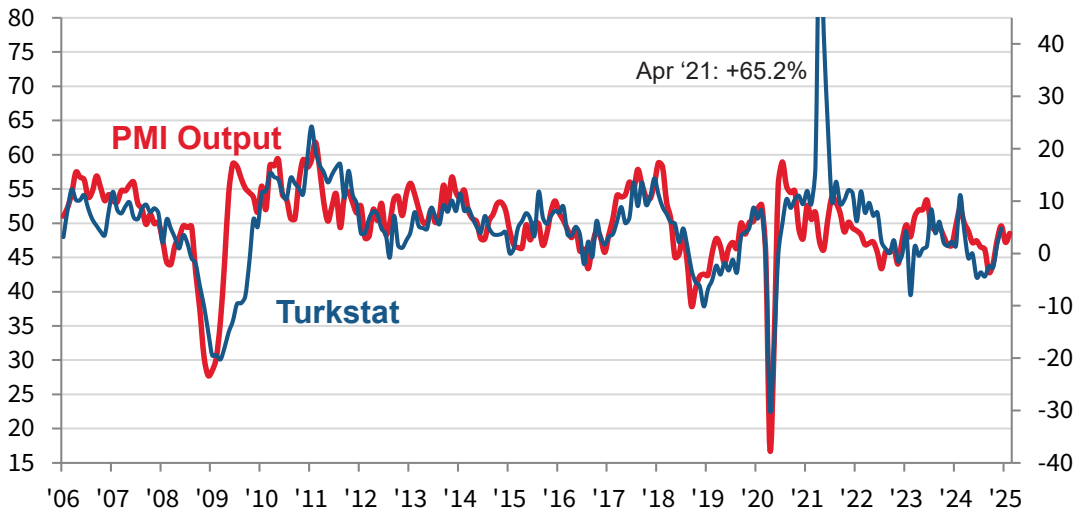
New business eased for the twentieth consecutive month and at a solid pace, albeit with the rate of moderation easing from January. Weakness was also seen with regards to new export orders, which slowed to the greatest extent since last October.

The softening of new orders was matched by a moderation in output, the eleventh in as many months. That said, the pace at which production

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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eased was modest and slower than in the previous month.

A lack of new orders led manufacturers to scale back their employment and purchasing activity during February. In both cases, rates of moderation were more pronounced than in January. Stocks of purchases and finished goods were also reduced.

As has now been the case in three consecutive months, the pace of input cost inflation quickened in February. The latest rise in input prices was sharp, and linked by panellists to increased costs for raw materials and staff, as well as the inflationary impact of currency weakness. In turn, output prices also rose at a faster pace, with the rate of inflation at a five-month high.

Suppliers' delivery times lengthened marginally again in February, with delays linked to price increases and geopolitical issues.

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 Turkish manufacturing sector continued to struggle to gain momentum in the opening part of 2025, with firms seeing further challenges in the securing of new business in February. With this in mind, manufacturers were reluctant to take on staff or invest in buying in new materials. Headwinds around inflation also continued to build, with both input costs and output prices rising more quickly. This could potentially make it more difficult for firms to secure new business in the near-term."

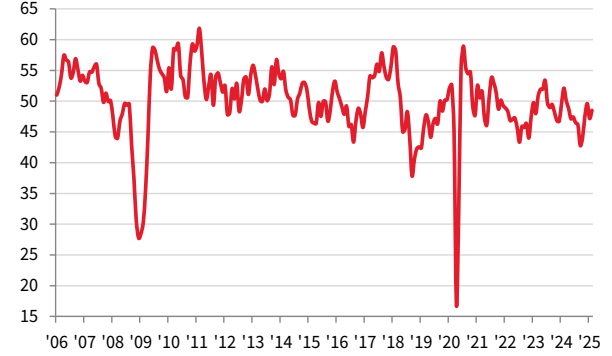
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Output Index

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

As has now been the case in each month for just under a year, manufacturing production in Türkiye slowed in February. Respondents indicated that the latest easing of production was due to challenging market conditions and an associated softening of new orders. That said, the pace of moderation eased from the previous month.

sa, 50 = no change on previous month

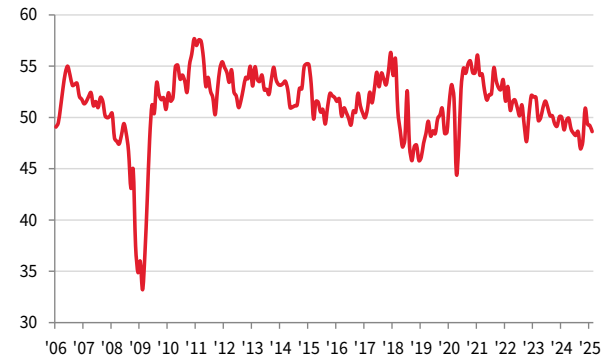


Employment Index

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

Turkish manufacturing firms scaled back their workforce numbers again in February, the third month running in which this has been the case. The latest softening of employment was modest, but quickened to the largest since last October. According to respondents, staffing levels were lowered in response to subdued new orders.

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.

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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

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.

February data were collected 10-21 February 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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