

Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index

May sees PMI reading at 47.2

May 2025
Key findings:

- New orders ease for twenty-third month running
- Firms scale back output, employment and purchasing
- Softer rises in input costs and output prices

Summary

Business conditions moderated again in the Turkish manufacturing sector during May as muted demand conditions contributed to firms scaling back their production, employment and purchasing activity. Meanwhile, input costs continued to rise sharply, often as a result of currency weakness. Output prices were also up, but a softening demand environment limited the pace of charge inflation.

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 47.2 in May, a fraction lower than the readings of 47.3 seen in both March and April. As such, the index pointed to a further solid monthly easing of business conditions in the manufacturing sector. The health of the sector has now moderated in each of the past 14 months.

A softening demand environment was central to the latest moderation of business conditions. New orders eased for the twenty-third month in a row, and at a solid pace.

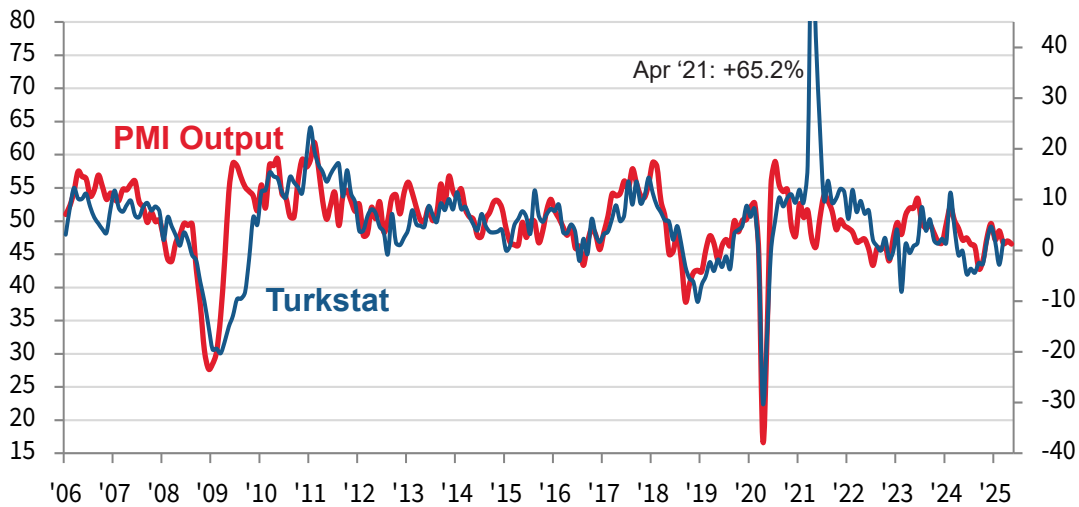
Weak demand and inflationary pressures contributed to a further easing of manufacturing production, with the latest slowdown the most marked since last October.

Employment and purchasing activity were also

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



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scaled back to larger extents than in April, while manufacturers reduced their inventories of both purchases and finished goods.

Muted demand for inputs meant that suppliers' delivery times shortened for the third consecutive month, albeit to a slightly lesser extent than in the previous survey period.

Input costs continued to increase sharply in May, with respondents often linking the latest rise to currency weakness. That said, the pace of inflation eased from the one-year high seen in April.

The rate of output price inflation also softened and was the lowest in 2025 so far. While some respondents noted that they had increased charges in response to higher input costs, others reported that muted demand had restricted pricing power.

Comment

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

"It was a familiar story for the Turkish manufacturing sector in May, with the PMI data showing similarly-paced moderations in a range of key variables as in recent months. Firms will be hoping that growth can be kick-started in the near future. There were at least some signs of inflationary pressures easing over the month which could provide some respite for manufacturers."

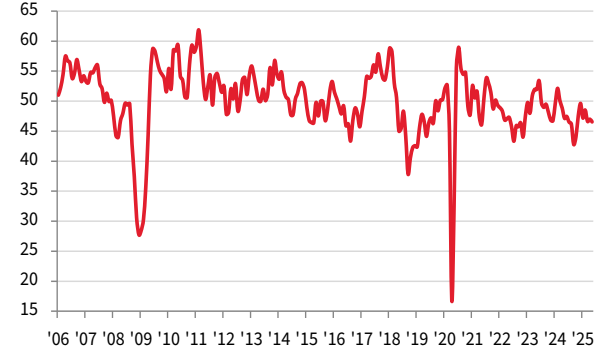
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Output Index

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

As has been the case in each month since April 2024, manufacturing production in Türkiye slowed during May. Panellists often linked the latest moderation to muted demand conditions, but also mentioned inflationary pressures. Output was scaled back solidly, and to the largest extent since last October.

sa, 50 = no change on previous month

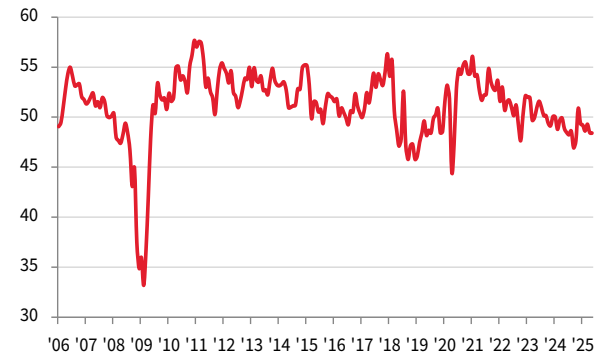


Employment Index

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

Turkish manufacturers posted a softening of employment in May, the sixth month running in which this has been the case. The pace of moderation was fractionally stronger than seen in April, and the fastest overall since October 2024. Anecdotal evidence suggested that the latest easing of staffing levels mainly reflected softer 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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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.

May data were collected 12-22 May 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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