



Istanbul Chamber of Industry Turkey Sector PMI™

Supply-chain constraints impact output and new orders in October

Contents

Overview

Food products

Textiles

Clothing and leather products

Wood and paper products

Chemicals, plastics and rubber

Non-metallic mineral products

Basic metals

Machinery and metal products

Electrical & electronic equipment

Land & sea vehicles

Methodology

Further information

The Istanbul Chamber of Industry Turkey Sector PMI™ indices are compiled by IHS Markit from questionnaire responses from a panel of around 800 manufacturers in Turkey. Indices are available for ten manufacturing categories, covering output, demand, capacity, prices and purchasing, and are the earliest indicators of economic performance for these sectors.

Commenting on the October survey results, Andrew Harker, Economics Director at IHS Markit said:

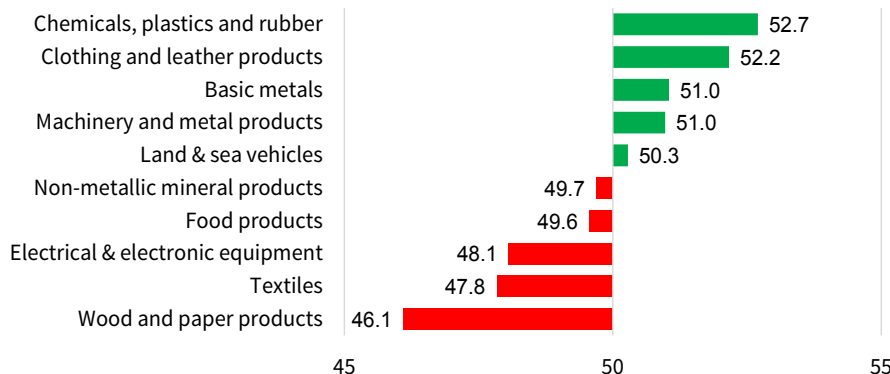
"While firms in all sectors have been impacted by the severe supply-chain disruption seen for some time now, some categories in particular are feeling the pinch. One of the sharpest slowdowns in production was in the electronic & electrical equipment sector amid severe supply shortages for semiconductors which is impacting those firms that most rely on them for their end products.

"Inflationary pressures meanwhile intensified across a range of sectors, with notably faster increases in input costs in the basic metals and land & sea vehicles categories. As well as supply shortages, currency weakness also added to cost pressures.

"While there were some pockets of positive news in terms of export orders and the employment picture, supply-chain disruption looks set to hold back those firms that most rely on being able to secure inputs until the situation starts to improve."

Turkey Sector PMI

sa, >50 = improvement since previous month, October '21



Sources: Istanbul Chamber of Industry, IHS Markit.

Overview

Widespread supply-chain delays reported

Most sectors see inflationary pressures strengthen

Constraints lead to slowdowns in output and new orders

Supply-chain disruption was a key feature of the latest Turkey Sector PMI report as lengthening delivery times contributed to inflationary pressures and constrained output volumes. There were some positive signs, however, as a majority sectors recorded increases in new export orders and employment.

All ten sectors saw lead times lengthen again in October, and most recorded more pronounced delays than in September. The most severe deteriorations were in the machinery and metal products, chemicals, plastics and rubber, land & sea vehicles and electronic & electrical equipment categories.

Supply shortages contributed to inflationary pressures, which were also added to by currency weakness. The non-metallic mineral products category signalled the strongest input cost inflation as input prices rose at the steepest rate in the year-to-date. Meanwhile, the basic metals sector posted the sharpest increase in selling prices.

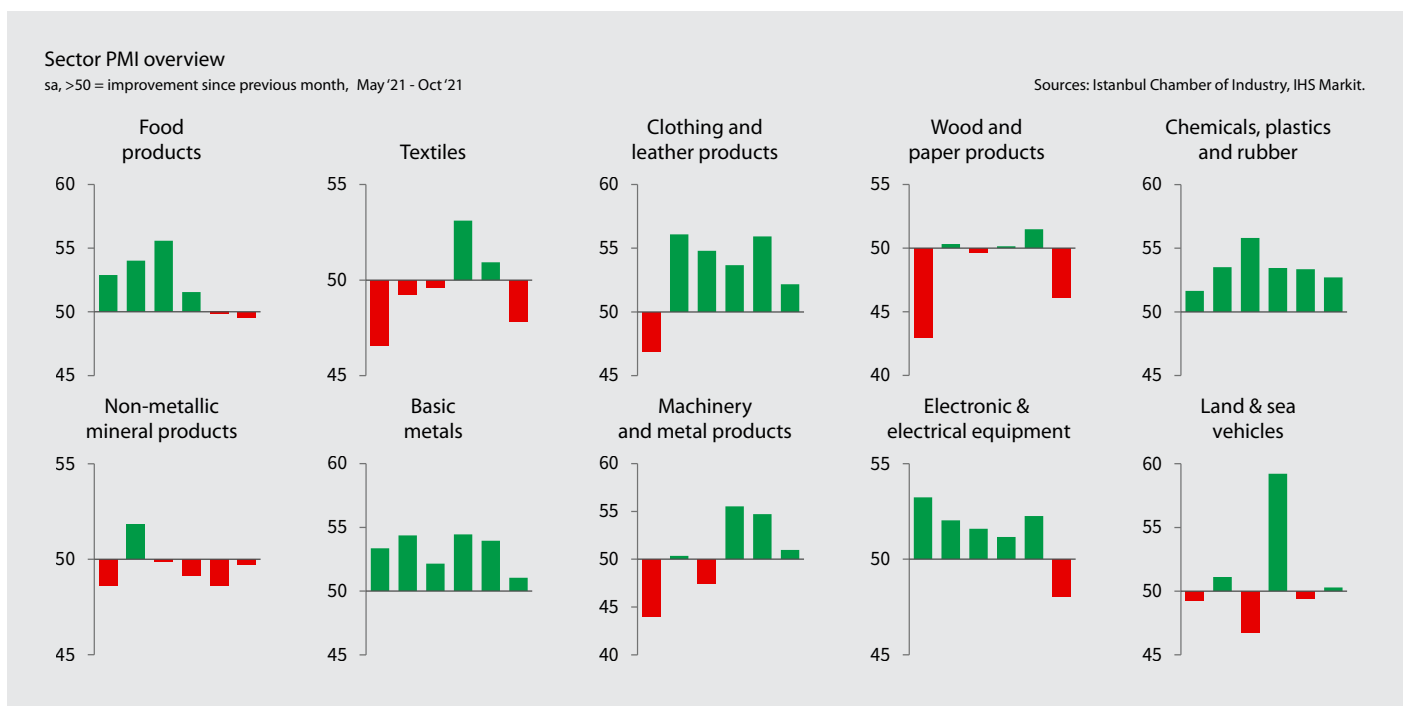
These supply-side issues had a detrimental impact on production volumes in October. Only two of the ten monitored sectors saw output increase, namely clothing and leather products and food products. The

steepest slowdowns in output were in the wood and paper products and electronic & electrical equipment categories.

Widespread slowdowns in new orders were also registered in October. In fact, only the chemicals, plastics and rubber sector recorded a rise in new business during the month. This was despite a generally much more positive picture with regards to new export orders. Seven of the ten monitored categories saw new business from abroad increase.

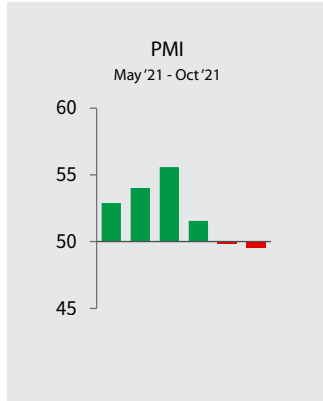
Efforts to secure inputs were stymied by the aforementioned issues in supply chains, with many firms deterred from raising their purchasing activity during the month. As a result, nine of the ten categories posted a reduction in stocks of purchases, with the sharpest moderations in the electronic & electrical equipment and textiles sectors.

Despite signs of slowdowns, most categories continued to increase their workforce numbers in October. The basic metals sector signalled the fastest pace of job creation, closely followed by non-metallic mineral products. Higher workforce numbers helped firms to keep on top of workloads, with backlogs only rising in two sectors.



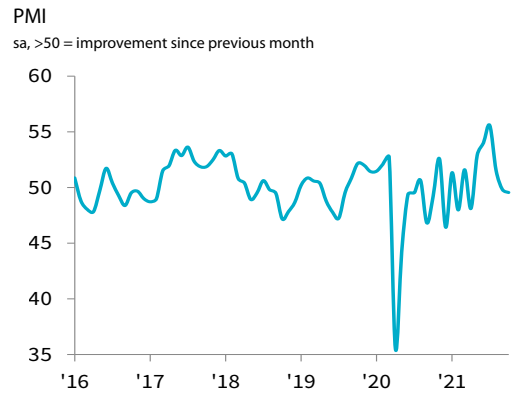
Food products

Output expands in October



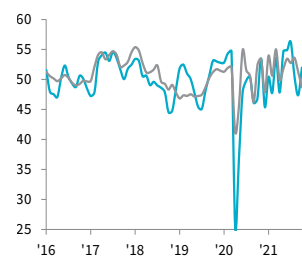
After having slowed for the first time in five months during September, food production returned to growth in October. This was despite a further slowdown in new orders, while employment moderated for the first time in ten months. The expansion in output helped firms to build stocks of finished goods and deplete backlogs.

Inflationary pressures showed signs of building at the start of the final quarter of the year, with both input costs and selling prices increasing at faster rates during October.



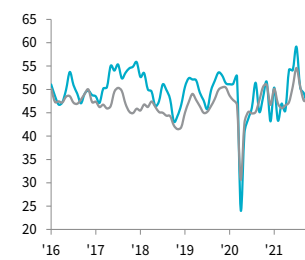
Output Index

Employment Index
sa, >50 = growth since previous month



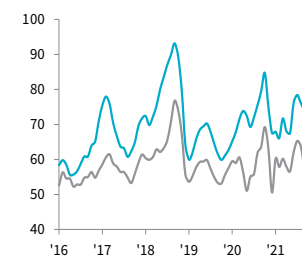
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



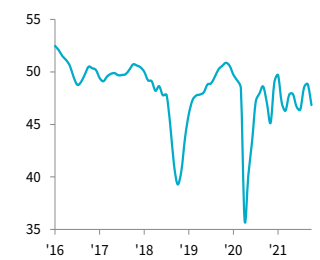
Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

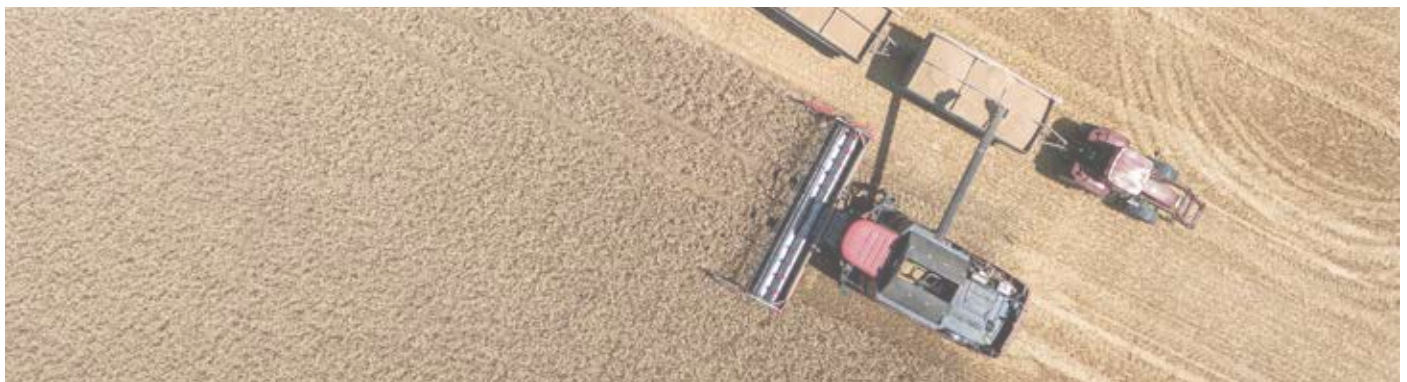
sa, >50 = faster times since previous month



Index summary

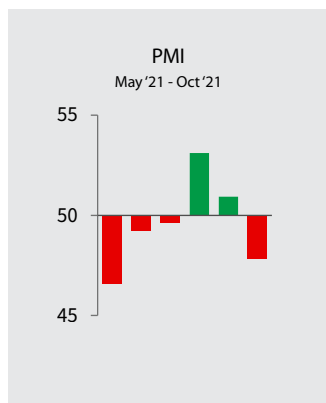
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 52.9 | 54.7 | 54.2 | 56.2 | 47.3 | 51.8 | 47.8 | 67.5 | 56.6 | 52.4 | 47.9 | 47.9 |
| 06-21 | 54.0 | 54.9 | 54.1 | 61.6 | 50.6 | 53.5 | 51.0 | 76.1 | 62.1 | 52.8 | 46.7 | 53.7 |
| 07-21 | 55.6 | 56.2 | 59.1 | 61.3 | 54.6 | 52.7 | 48.6 | 78.4 | 65.3 | 51.0 | 46.4 | 52.0 |
| 08-21 | 51.6 | 50.5 | 50.4 | 55.2 | 50.6 | 53.6 | 48.8 | 76.1 | 63.7 | 52.5 | 48.5 | 53.5 |
| 09-21 | 49.8 | 47.4 | 49.2 | 53.2 | 47.6 | 51.3 | 51.4 | 74.4 | 58.3 | 48.2 | 48.8 | 53.1 |
| 10-21 | 49.6 | 52.0 | 46.4 | 52.1 | 48.4 | 48.7 | 50.5 | 76.9 | 63.9 | 47.6 | 46.8 | 49.5 |



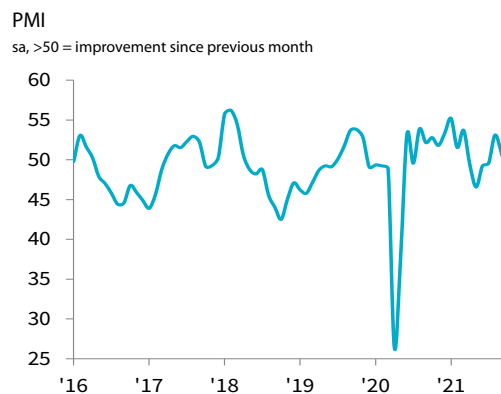
Textiles

Marked slowdown in new orders



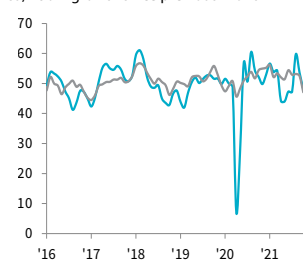
Business conditions in the textiles category moderated for the first time in three months during October. The slowdown reflected a softening of production and a more marked easing of new orders. Staffing levels also moderated, thereby ending a 16-month sequence of job creation.

Marked supply-chain disruption was recorded, with lead times lengthening to the greatest extent since May 2020. Supply shortages, alongside currency weakness, led to much steeper rises in both input costs and output charges.



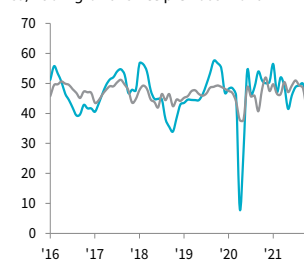
Output Index

Employment Index
sa, >50 = growth since previous month



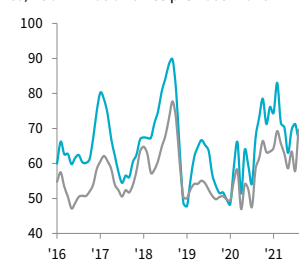
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



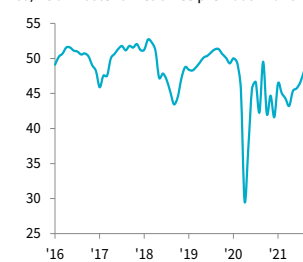
Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

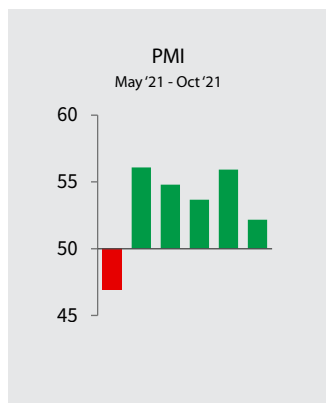
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 46.6 | 44.0 | 41.5 | 47.0 | 47.1 | 51.4 | 44.8 | 63.0 | 58.6 | 47.7 | 45.3 | 46.3 |
| 06-21 | 49.2 | 47.4 | 45.9 | 52.7 | 49.2 | 54.4 | 46.9 | 69.6 | 63.4 | 47.0 | 45.7 | 45.9 |
| 07-21 | 49.6 | 47.3 | 48.7 | 49.9 | 51.0 | 52.9 | 52.7 | 71.3 | 57.9 | 48.7 | 46.6 | 45.8 |
| 08-21 | 53.1 | 59.8 | 49.3 | 56.9 | 49.4 | 53.2 | 49.0 | 67.6 | 69.6 | 53.2 | 48.2 | 49.9 |
| 09-21 | 50.9 | 53.7 | 49.9 | 56.9 | 48.4 | 52.5 | 47.9 | 76.5 | 64.2 | 49.7 | 49.5 | 44.7 |
| 10-21 | 47.8 | 48.1 | 44.9 | 50.3 | 41.2 | 47.1 | 47.6 | 82.4 | 73.0 | 45.9 | 41.5 | 41.4 |



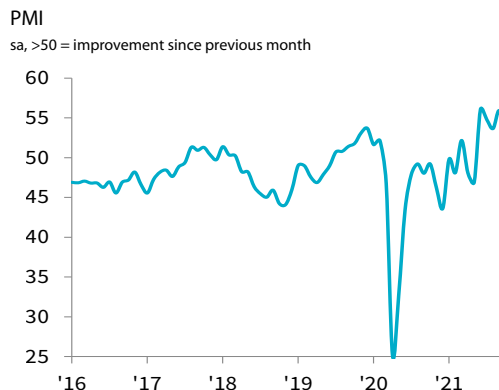
Clothing and leather products

Production rises solidly



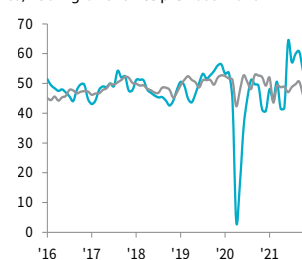
The clothing and leather products sector remained in growth territory during October, seeing output increase for the fifth successive month. The rate of growth was solid and the sharpest of the ten categories covered by the survey, but eased to the softest in the current period of expansion.

Signs of a slowdown were also evident in other indices at the start of the fourth quarter. New orders stagnated after having risen sharply in September, while employment levels were scaled back.



Output Index

Employment Index
sa, >50 = growth since previous month



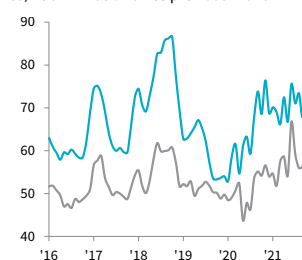
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

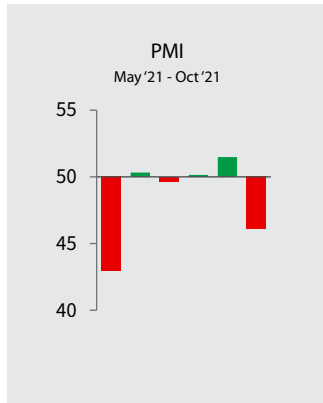
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 46.9 | 41.8 | 46.4 | 51.1 | 49.9 | 48.9 | 48.7 | 66.7 | 54.2 | 44.7 | 47.6 | 49.2 |
| 06-21 | 56.1 | 64.2 | 58.8 | 54.3 | 53.0 | 47.1 | 48.6 | 75.6 | 66.8 | 55.0 | 46.1 | 49.0 |
| 07-21 | 54.8 | 57.1 | 57.1 | 56.9 | 48.8 | 48.8 | 49.7 | 71.1 | 59.2 | 57.8 | 43.5 | 51.6 |
| 08-21 | 53.7 | 59.9 | 52.9 | 49.4 | 47.7 | 49.7 | 48.3 | 73.4 | 56.0 | 58.1 | 45.9 | 47.7 |
| 09-21 | 55.9 | 60.7 | 58.4 | 54.6 | 48.1 | 50.6 | 51.3 | 67.8 | 56.5 | 57.1 | 46.7 | 50.9 |
| 10-21 | 52.2 | 54.3 | 49.9 | 54.3 | 48.4 | 46.2 | 47.1 | 76.1 | 63.4 | 56.8 | 38.1 | 50.8 |



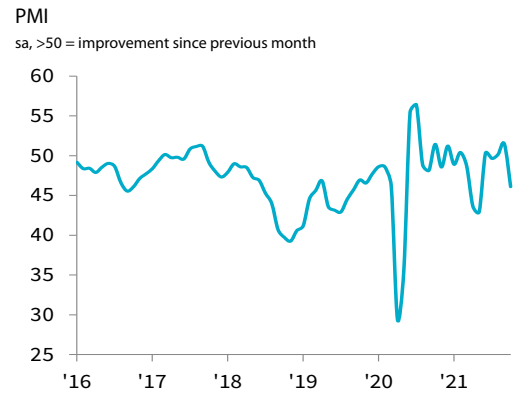
Wood and paper products

First slowdown in production for five months



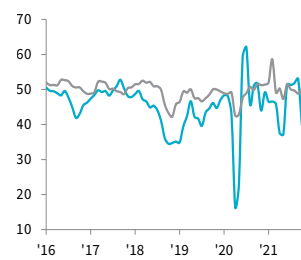
There were signs of a slowdown in the wood and paper products sector in October. Output eased for the first time in five months, and at a pace that was the sharpest of the ten sectors covered by the report. This was also the case with regards to new business. On a more positive note, firms kept their staffing levels broadly stable.

On the price front, the rate of input cost inflation quickened from that seen in September, while output prices rose at the fastest pace in the year-to-date.



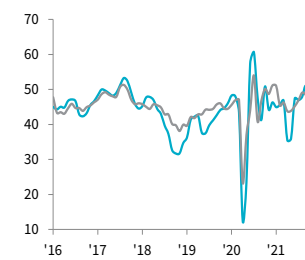
Output Index

Employment Index
sa, >50 = growth since previous month



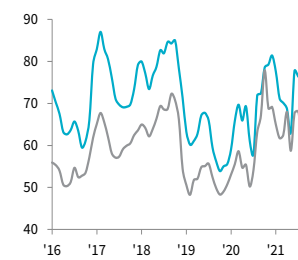
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



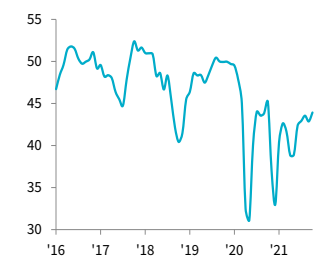
Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

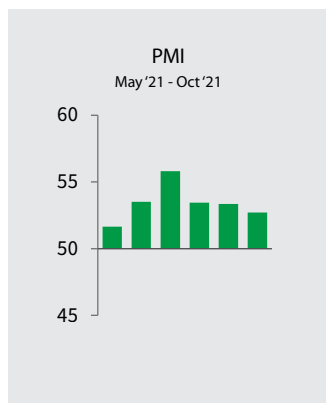
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 42.9 | 37.2 | 35.9 | 47.4 | 43.9 | 47.3 | 42.8 | 63.0 | 58.7 | 36.3 | 38.9 | 42.5 |
| 06-21 | 50.3 | 51.4 | 47.4 | 41.2 | 45.2 | 51.5 | 43.0 | 77.7 | 67.6 | 47.0 | 42.4 | 43.0 |
| 07-21 | 49.6 | 51.3 | 47.0 | 44.9 | 46.9 | 50.0 | 46.2 | 76.4 | 68.1 | 44.2 | 42.9 | 41.7 |
| 08-21 | 50.2 | 51.8 | 47.9 | 52.4 | 49.1 | 49.7 | 48.6 | 75.7 | 62.6 | 46.2 | 43.5 | 44.2 |
| 09-21 | 51.5 | 53.0 | 51.0 | 55.6 | 48.4 | 48.8 | 49.7 | 66.2 | 64.2 | 49.6 | 42.9 | 46.0 |
| 10-21 | 46.1 | 39.7 | 44.0 | 51.2 | 46.3 | 50.1 | 47.9 | 74.8 | 68.8 | 47.1 | 43.9 | 45.2 |

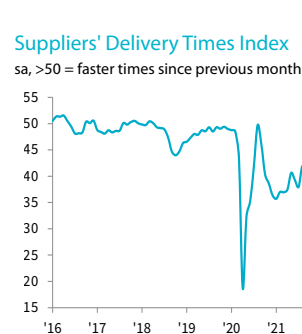
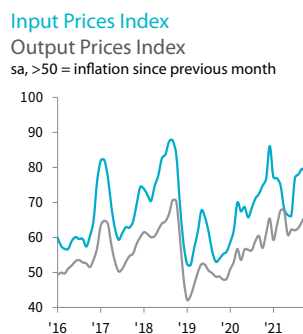
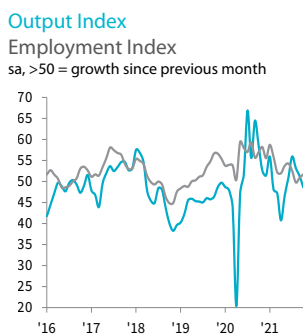
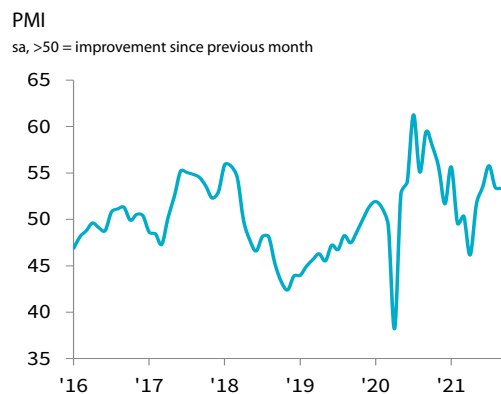


Chemicals, plastics and rubber

Supply-chain issues limit production



There was evidence of severe supply-chain disruption constraining output in the chemicals, plastics and rubber sector at the start of the final quarter. Suppliers' delivery times lengthened to the greatest extent since May 2020. As a result, firms saw their stocks of inputs fall in spite of an expansion in purchasing activity. In turn, output moderated for the first time in five months, despite ongoing new order growth. Meanwhile, further sharp increases in input costs and output prices were recorded in October.



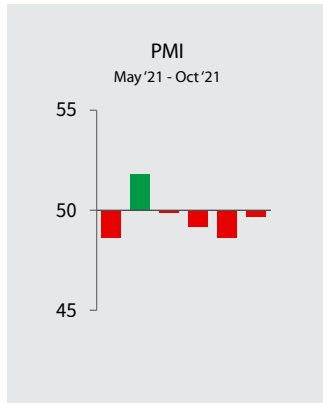
Index summary
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 51.7 | 46.6 | 52.1 | 50.2 | 48.2 | 53.7 | 49.0 | 66.4 | 60.8 | 48.9 | 40.6 | 47.3 |
| 06-21 | 53.5 | 50.9 | 53.7 | 56.9 | 46.1 | 54.3 | 46.8 | 66.2 | 62.2 | 51.7 | 39.3 | 47.3 |
| 07-21 | 55.8 | 55.9 | 57.5 | 58.7 | 47.8 | 52.6 | 48.5 | 77.0 | 62.0 | 57.5 | 38.0 | 47.6 |
| 08-21 | 53.4 | 53.2 | 52.2 | 47.7 | 48.4 | 49.8 | 54.5 | 78.0 | 62.7 | 55.6 | 41.9 | 58.3 |
| 09-21 | 53.3 | 51.3 | 53.9 | 52.9 | 50.7 | 50.9 | 50.4 | 79.6 | 64.6 | 55.5 | 39.4 | 50.8 |
| 10-21 | 52.7 | 48.6 | 52.0 | 54.8 | 48.9 | 51.7 | 49.4 | 78.2 | 66.2 | 54.2 | 35.1 | 48.9 |



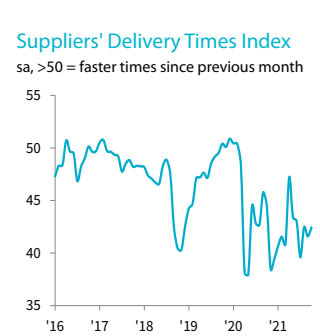
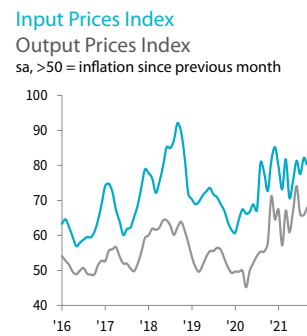
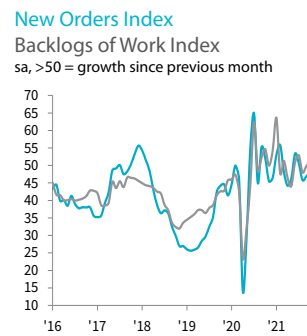
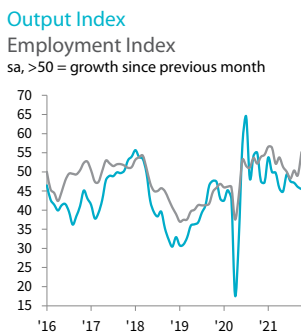
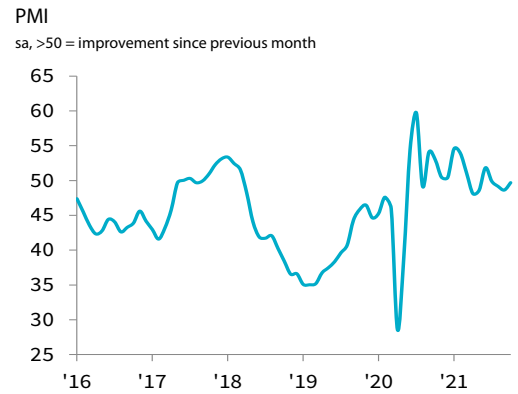
Non-metallic mineral products

Non-metallic mineral products sector leads cost inflation



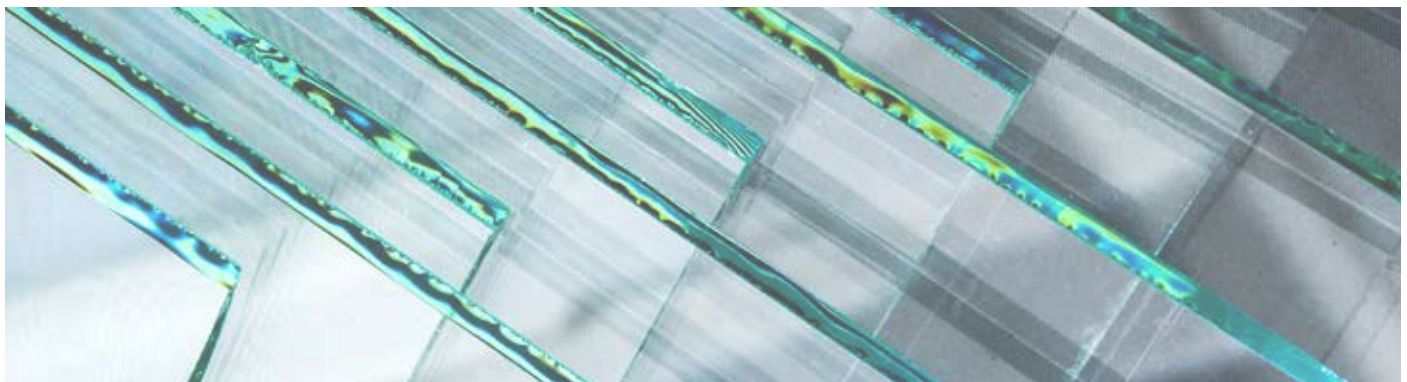
October data pointed to a sharp and accelerated monthly rise in input costs in the non-metallic mineral products sector. Furthermore, the rate of inflation was the fastest in the year-to-date and steepest of the ten monitored sectors. Output prices also rose sharply, and at the strongest pace since June.

Production was meanwhile scaled back for the eighth successive month amid a softening of new orders. Employment increased markedly, however, and at the fastest pace since February.



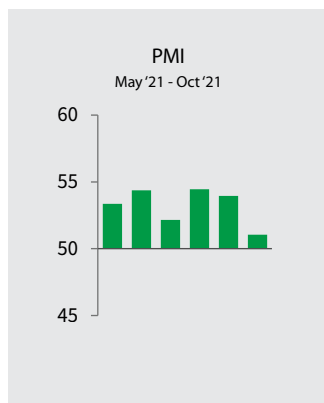
Index summary
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 48.6 | 44.9 | 46.3 | 44.7 | 44.1 | 51.3 | 48.6 | 75.6 | 66.9 | 42.1 | 43.4 | 47.4 |
| 06-21 | 51.8 | 49.4 | 53.4 | 51.8 | 50.9 | 50.1 | 49.1 | 81.3 | 74.1 | 52.1 | 43.1 | 49.2 |
| 07-21 | 49.9 | 47.5 | 50.6 | 49.4 | 52.9 | 48.2 | 45.4 | 77.5 | 66.0 | 47.7 | 39.6 | 41.1 |
| 08-21 | 49.2 | 47.1 | 45.8 | 54.2 | 48.0 | 50.4 | 49.8 | 82.2 | 65.8 | 50.3 | 42.5 | 49.1 |
| 09-21 | 48.6 | 46.1 | 46.8 | 54.7 | 49.8 | 49.1 | 50.9 | 80.4 | 68.0 | 45.7 | 41.6 | 44.7 |
| 10-21 | 49.7 | 45.5 | 48.1 | 44.8 | 51.2 | 55.2 | 41.8 | 84.7 | 69.1 | 44.5 | 42.4 | 42.3 |



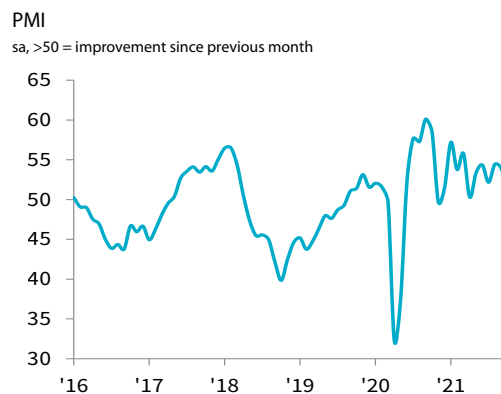
Basic metals

Inflationary pressures strengthen markedly



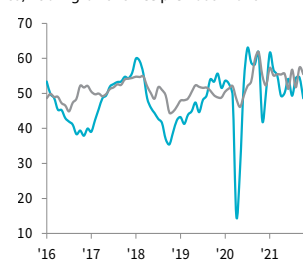
Input costs in the basic metals sector increased at a considerable pace in October as the rate of inflation accelerated sharply from the previous month to a one-year high. Output prices also rose at a much faster pace during the month, and one that was the quickest of the ten sectors covered by the report.

Strong inflationary pressures and supply-chain disruption impacted on demand and production. New orders eased for the first time in six months, while a first moderation in output since July was registered.



Output Index

Employment Index
sa, >50 = growth since previous month



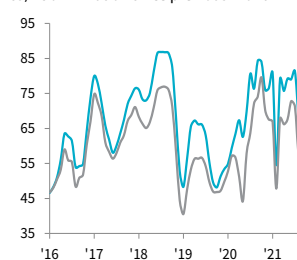
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



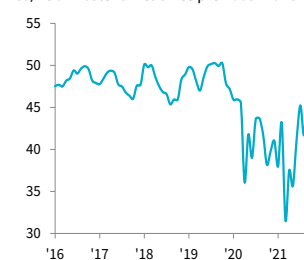
Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

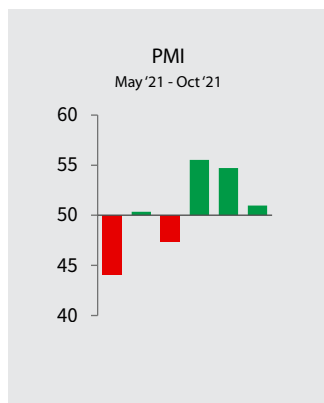
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 53.4 | 50.2 | 50.5 | 55.3 | 50.7 | 55.6 | 50.1 | 79.2 | 67.5 | 49.6 | 35.7 | 49.0 |
| 06-21 | 54.4 | 54.2 | 55.9 | 52.2 | 49.2 | 51.2 | 46.4 | 79.0 | 72.8 | 53.0 | 41.2 | 49.7 |
| 07-21 | 52.2 | 49.3 | 51.6 | 55.4 | 52.5 | 56.7 | 50.8 | 81.4 | 71.3 | 48.7 | 45.2 | 48.0 |
| 08-21 | 54.4 | 54.3 | 56.7 | 53.1 | 54.3 | 51.7 | 48.2 | 67.5 | 57.7 | 53.8 | 41.7 | 47.8 |
| 09-21 | 53.9 | 54.5 | 53.0 | 52.4 | 43.7 | 57.4 | 45.9 | 56.3 | 60.3 | 52.6 | 47.1 | 50.0 |
| 10-21 | 51.0 | 48.6 | 47.2 | 51.1 | 48.4 | 55.5 | 50.6 | 82.6 | 75.9 | 47.0 | 40.9 | 47.7 |



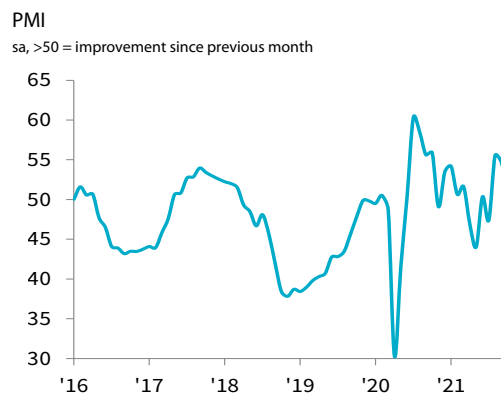
Machinery and metal products

Near-record lengthening of lead times



The machinery and metal products category posted the most marked lengthening of suppliers' delivery times of all ten sectors for the second month running in October as delivery delays were only fractionally less pronounced than last December's record. Meanwhile, rates of inflation of both input costs and output prices accelerated sharply.

Production volumes eased for the first time in three months, as was the case with new business. The fall in total new orders was recorded despite export growth.



Output Index

Employment Index
sa, >50 = growth since previous month



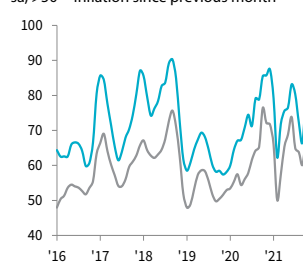
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

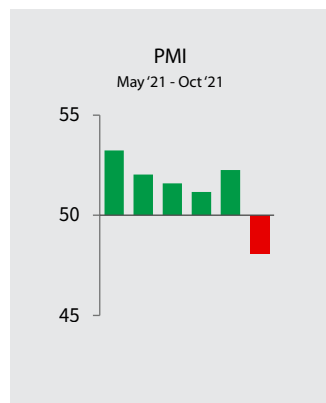
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 44.0 | 39.1 | 34.7 | 42.8 | 48.1 | 54.8 | 41.3 | 76.6 | 68.9 | 38.9 | 38.9 | 37.1 |
| 06-21 | 50.3 | 47.1 | 46.9 | 49.7 | 49.1 | 57.0 | 38.9 | 83.2 | 73.8 | 46.6 | 38.7 | 39.4 |
| 07-21 | 47.4 | 45.1 | 40.6 | 45.4 | 46.6 | 51.9 | 49.1 | 80.4 | 65.0 | 46.2 | 40.0 | 45.5 |
| 08-21 | 55.5 | 58.2 | 55.1 | 52.2 | 48.9 | 56.2 | 43.0 | 72.2 | 63.8 | 52.7 | 38.7 | 40.1 |
| 09-21 | 54.7 | 51.9 | 53.4 | 56.1 | 50.0 | 56.7 | 50.7 | 66.6 | 60.2 | 54.2 | 37.6 | 50.0 |
| 10-21 | 51.0 | 46.8 | 45.3 | 54.7 | 52.5 | 53.2 | 43.9 | 81.6 | 68.6 | 48.3 | 29.7 | 45.2 |



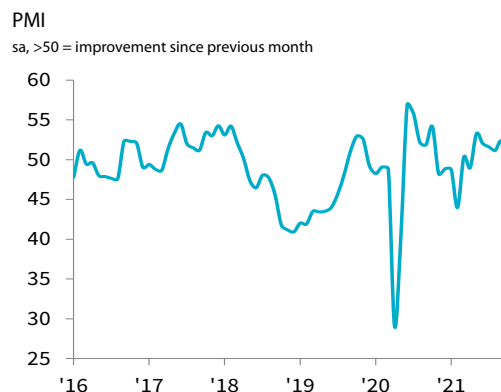
Electronic & electrical equipment

Output hit by supply shortages in October



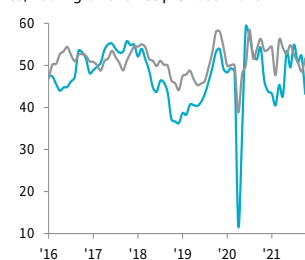
Severe supply-chain disruption continued in the electronic & electrical equipment sector in October, feeding through to a moderation in output. Suppliers' delivery times lengthened to the greatest extent since June, extending the current sequence of sharply lengthening lead times.

Difficulties securing inputs led to a sharp and accelerated reduction in stocks of purchases and limited output, which slowed for the first time in four months. Customers were also deterred in some cases and new orders moderated as a result.



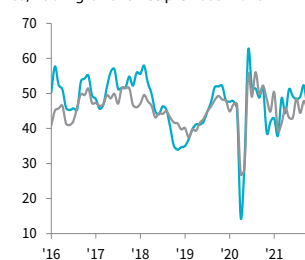
Output Index

Employment Index
sa, >50 = growth since previous month



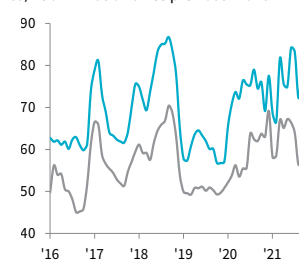
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

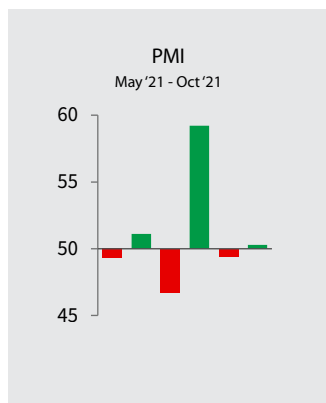
sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 53.2 | 53.3 | 51.2 | 50.7 | 43.1 | 52.8 | 48.5 | 74.9 | 67.2 | 51.6 | 36.7 | 45.0 |
| 06-21 | 52.0 | 49.6 | 49.2 | 48.5 | 43.0 | 54.9 | 46.7 | 84.2 | 66.4 | 45.2 | 35.4 | 42.3 |
| 07-21 | 51.6 | 55.0 | 48.4 | 45.6 | 48.6 | 52.5 | 46.2 | 83.2 | 63.9 | 54.8 | 45.1 | 45.9 |
| 08-21 | 51.2 | 50.7 | 49.0 | 49.8 | 44.4 | 50.8 | 43.0 | 72.2 | 56.4 | 49.7 | 38.7 | 44.2 |
| 09-21 | 52.3 | 52.3 | 52.3 | 55.2 | 47.9 | 48.6 | 47.2 | 78.3 | 59.5 | 48.9 | 39.9 | 47.8 |
| 10-21 | 48.1 | 43.2 | 44.8 | 47.3 | 44.9 | 51.7 | 42.5 | 71.7 | 60.9 | 44.2 | 37.7 | 41.4 |



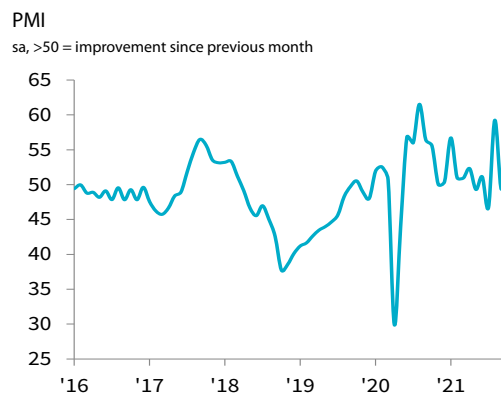
Land & sea vehicles

Inflationary pressures intensify at start of final quarter



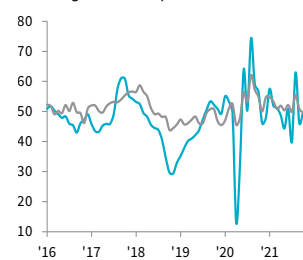
Land & sea vehicles firms recorded sharp and accelerated increases in their input costs and selling prices during October, with both rising at the sharpest pace in three months. Higher price pressures were the result both of currency weakness and supply shortages - vendor lead times lengthened to the greatest extent since January.

Meanwhile, moderations were seen with regards to output, new orders, employment, purchasing activity and inventory holdings.



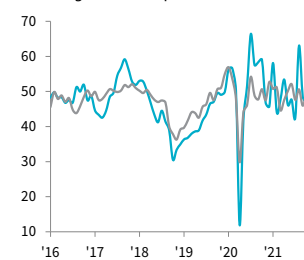
Output Index

Employment Index
sa, >50 = growth since previous month



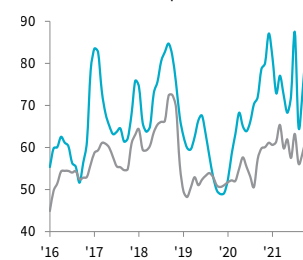
New Orders Index

Backlogs of Work Index
sa, >50 = growth since previous month



Input Prices Index

Output Prices Index
sa, >50 = inflation since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Index summary

sa, 50 = no change over previous month

| | PMI | Output | New Orders | New Export Orders | Backlogs of Work | Employment | Stocks of Finished Goods | Input Prices | Output Prices | Quantity of Purchases | Suppliers' Delivery Times | Stocks of Purchases |
|-------|------|--------|------------|-------------------|------------------|------------|--------------------------|--------------|---------------|-----------------------|---------------------------|---------------------|
| 05-21 | 49.3 | 44.3 | 46.1 | 49.9 | 50.1 | 50.4 | 49.5 | 68.3 | 61.9 | 50.1 | 37.8 | 49.5 |
| 06-21 | 51.1 | 50.7 | 47.7 | 53.2 | 52.1 | 52.2 | 43.5 | 72.3 | 57.5 | 49.2 | 39.9 | 46.7 |
| 07-21 | 46.7 | 39.8 | 42.6 | 45.0 | 47.6 | 49.9 | 44.1 | 87.5 | 63.2 | 50.9 | 40.4 | 50.4 |
| 08-21 | 59.2 | 62.9 | 63.1 | 52.7 | 50.6 | 55.5 | 48.0 | 64.9 | 56.2 | 63.2 | 44.4 | 51.2 |
| 09-21 | 49.4 | 46.1 | 48.6 | 48.4 | 45.9 | 50.9 | 47.2 | 72.2 | 58.4 | 48.0 | 46.1 | 50.6 |
| 10-21 | 50.3 | 49.6 | 46.7 | 44.0 | 49.9 | 49.7 | 49.1 | 84.0 | 62.2 | 44.4 | 37.7 | 45.5 |



800
manufacturers

10
sectors

Index calculation

$$\begin{aligned} & \% \text{ 'Higher' } \\ & + \\ & (\% \text{ 'No change'})/2 \\ & + \\ & (\% \text{ 'Lower'}) \times 0 \end{aligned}$$

Methodology

The Istanbul Chamber of Industry Turkey Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 800 manufacturers.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month.

The responses are aggregated for ten manufacturing sub-sectors defined by International Standard Industry Classification (ISIC) codes (see table, below for definitions).

For each sector, diffusion indices are calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure for each sector is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

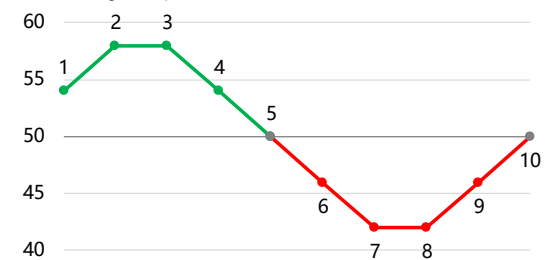
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

| Survey questions | |
|--------------------------|---------------------------|
| Output | Quantity of purchases |
| New orders | Suppliers' delivery times |
| New export orders | Stocks of purchases |
| Employment | Input prices |
| Backlogs of work | Output prices |
| Stocks of finished goods | |

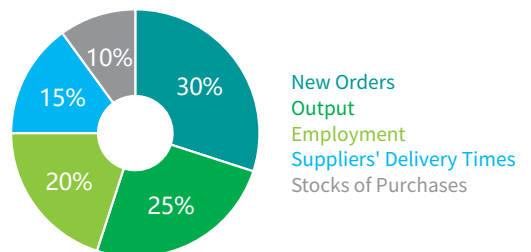
Index interpretation

50.0 = no change since previous month



| | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

Turkey Sector PMI data include responses from companies defined by the following International Standard Industry Classification (ISIC) Rev.4 codes:

Food Products

C10 - Food Products

Textile Products

C13 - Textiles

Clothing & Leather Products

C14 - Wearing Apparel

C15 - Leather and Related Products

Wood & Paper Products

C16 - Wood and of Products of Wood and Cork, Except Furniture; Articles of Straw and Plaiting Materials

C17 - Paper and Paper Products

C18 - Printing and Reproduction of Recorded Media

C31 - Furniture

Chemicals, Plastics & Rubber Products

C20 - Chemicals and Chemical Products

C21 - Basic Pharmaceutical Products and Pharmaceutical Preparations

C22 - Rubber and Plastic Products

Non-metallic Mineral Products

C23 - Other Non-Metallic Mineral Products

Basic Metals

C24 - Basic Metals

Machinery, Equipment & Metal Products

C25 - Fabricated Metal Products, Except Machinery and Equipment

C28 - Machinery and Equipment N.E.C.

Electrical & Electronic Equipment

C26 - Computer, Electronic and Optical Products

C27 - Electrical Equipment

Land & Sea Vehicles

C29 - Motor Vehicles, Trailers and Semi-Trailers

C30 - Other Transport Equipment (excluding C303 Air and Spacecraft)

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About 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 Turkey'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 Turkey'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.

ihsmarkit.com/products/pmi.html.