

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

Istanbul manufacturing PMI at 21-month high

- November 2019**
- Sharpest expansion in new orders since February 2018
- Key findings:**
- Employment rises at near-record pace
 - Slowest increase in input costs for ten-and-a-half years

Summary

Growth continued to accelerate in the Istanbul manufacturing sector during November, with output, new orders and employment all increasing at sharper rates than in October. Meanwhile, input prices rose at the weakest pace in over a decade, helping firms lower their output charges for the third month running.

The headline Istanbul Chamber of Industry Istanbul 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.

At 54.2 in November, the headline PMI was up from

53.6 in October and signalled a solid improvement in business conditions. The health of the sector has now strengthened in three successive months, with the latest improvement the greatest since February 2018.

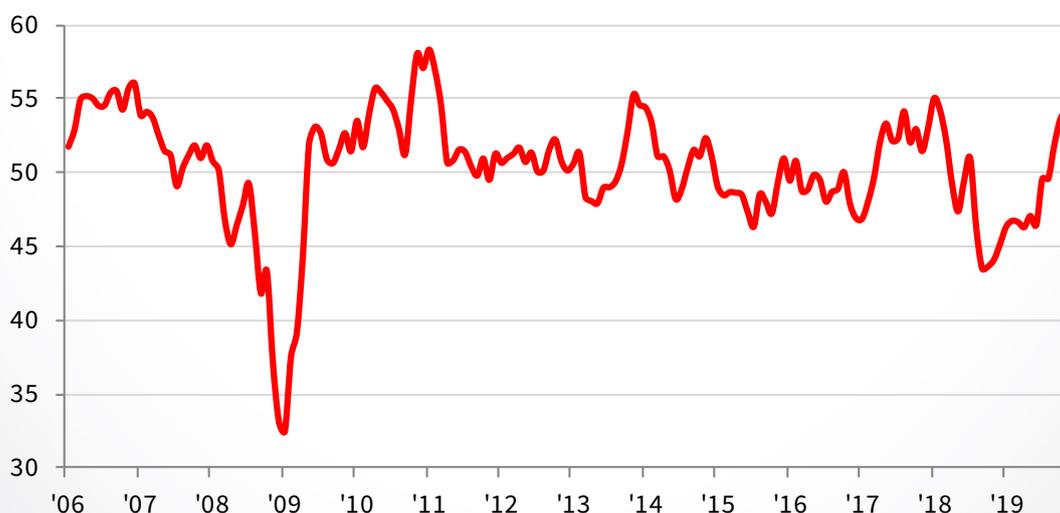
The rate of growth in new business quickened to a 21-month high amid strengthening economic conditions. New export orders also increased, albeit to a much lesser degree than total new business.

The rise in new orders and general improvement in market conditions supported a marked increase in production at Istanbul manufacturers. Moreover, the rate of expansion quickened for the second month running to the sharpest since February 2018.

With production requirements up, firms in Istanbul

Historical overview

PMI, 50.0 = no change



continued...

Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) December 2 2019

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

responded by taking on extra staff at a strong pace. In fact, the rate of job creation was among the sharpest since the survey began in January 2006, only just shy of the record seen in January 2011.

Latest data signalled a further softening of cost inflationary pressures in the Istanbul manufacturing sector. The pace at which input prices rose slowed for the sixth successive month and was the weakest for ten-and-a-half years.

With cost inflation continuing to ease, firms lowered their output prices again in November. Charges have been reduced in three successive months, but the latest fall was only fractional.

Manufacturers raised purchasing activity in line with higher new orders, but stocks of purchases ticked down as inputs were used in the production process. Stocks of finished goods, meanwhile, decreased at the fastest pace in just over a year as inventories were used to help fulfil orders.

Comment

Commenting on the Istanbul Chamber of Industry Istanbul Manufacturing PMI survey data, Andrew Harker, Associate Director at IHS Markit, said:

“Growth continued to accelerate in the Istanbul manufacturing sector in November. The scene is set for a strong final quarter of 2019, leading into what will hopefully be a positive year in 2020. There was also more good news for the labour market, with manufacturers taking on staff at a rapid pace in response to rising workloads.”

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

New Orders Index

Q. Please compare your new orders (in units) this month with the situation one month ago.

Strengthening economic conditions in Istanbul were reportedly behind the latest rise in new orders. November saw a marked increase in new business, extending the current sequence of growth to four months. As with output, the rate of expansion was the sharpest since February 2018.

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.

Istanbul manufacturers increased employment at a marked pace during November. In fact, the rate of job creation was only slightly slower than the series record seen in January 2011. According to respondents, higher new orders and production requirements encouraged firms to take on additional staff.

sa, 50 = no change on previous month



For further information, please contact:

Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance
Department Mng.
Telephone +90 212 252 29 00 Ext: 180
Email: nakcay@iso.org.tr

IHS Markit

Andrew Harker, Associate Director
Telephone +44 1491 461 016
Email: andrew.harker@ihsmarkit.com

Katherine Smith, Public Relations
Telephone +1 781 301 9311
Email: katherine.smith@ihsmarkit.com

Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

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.

About IHS Markit:

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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. To learn more go to <https://ihsmarkit.com/products/pmi.html>.

Notes to Editors:

The Istanbul Chamber Of Industry Istanbul Manufacturing PMI® (Purchasing Managers' Index™) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 300 companies based in Istanbul's manufacturing sector. The panel is stratified by Standard Industrial Classification (SIC) group, 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.

IHS Markit 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 IHS Markit. Please contact economics@ihsmarkit.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.

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.

The intellectual property rights to the Istanbul Chamber of Industry Istanbul Manufacturing PMI® provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Istanbul Chamber of Industry uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.