

## Istanbul Chamber of Industry Istanbul PMI® Manufacturing Index

# PMI at three-month high of 44.1

### November 2018 Key findings:

- Slowdowns in output and new orders become less marked
- Inflationary pressures ease sharply
- Employment continues to scale back

### Summary

The rate of slowdown in the Istanbul manufacturing sector eased again in November as improvements in the exchange rate resulted in markedly weaker inflationary pressures. Output and new orders continued to moderate, albeit at weaker rates. That said, manufacturers scaled back employment again in November.

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.

The PMI rose to 44.1 in November from 43.6 in

October, signalling a fourth successive monthly moderation in business conditions in the Istanbul manufacturing sector. That said, the slowdown continued to lose pace, easing for the second successive month to the weakest since August.

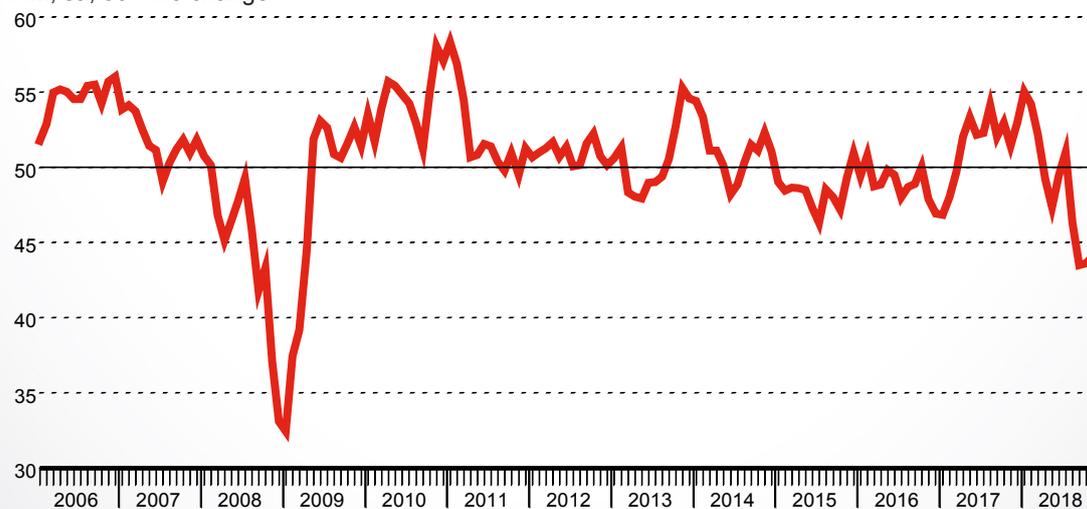
In line with the headline reading, both output and new orders moderated to lesser extents in November. Although market conditions reportedly remained challenging, some firms saw signs of improvement. New export orders eased for the second time in the past three months, albeit at a much weaker pace than total new business.

Slower new order receipts led to spare capacity at Istanbul manufacturers, thereby enabling them to transfer resources to work on existing projects.

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### Historical overview

PMI, sa, 50 = no change



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Backlogs of work moderated for the fifteenth month running.

The rate of input cost inflation slowed sharply for the second month in a row and was the weakest for nearly three years as the Turkish lira regained some ground against the US dollar. The pace at which output prices rose also eased markedly, with charges up only marginally over the month.

Firms continued to scale back employment in line with lower output requirements.

### Comment

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

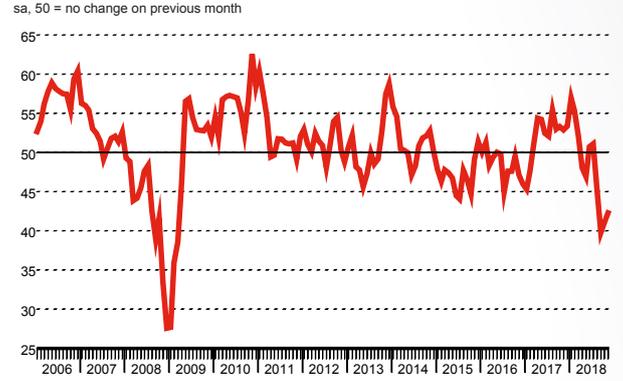
*“Istanbul manufacturers continued to face challenging business conditions in November, but gradual improvements in the lira exchange rate have offered some respite to firms from the strong inflation seen in previous months. Companies will be hoping that these trends continue, leading the way to a return to growth in the sector.”*

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### Output

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

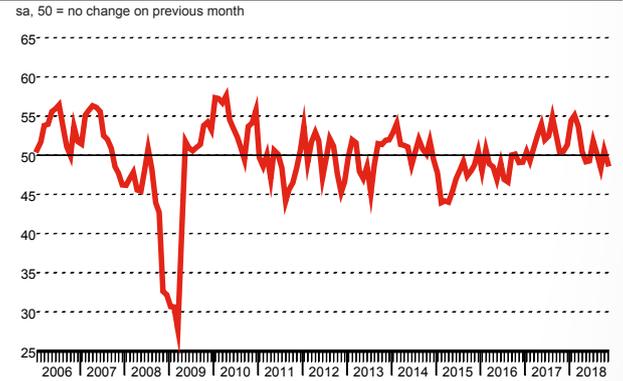
Challenging market conditions led manufacturers in Istanbul to scale back production in November, the fourth consecutive month in which this has been the case. That said, the pace at which output slowed eased for the second month running and was the weakest since August.



### New Export Orders Index

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

New business from abroad eased for the second time in the past three months during November. That said, the rate at which new export orders moderated was much weaker than seen for total new business as lira weakness helped firms to maintain their competitiveness in international markets.



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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 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 (Nasdaq: 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](mailto: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.

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