

Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

PMI rises to 52.6 in March

March 2021 Key findings:

- New orders return to growth
- Sustained increases in output and employment
- Further difficulties obtaining raw materials cited

Summary

The latest PMI® survey data from Istanbul Chamber of Industry and IHS Markit signalled sustained growth of output and employment in the manufacturing sector as new orders showed signs of improvement. Limiting the generally positive picture were continued issues obtaining raw materials, while rates of both input cost and output price inflation reaccelerated.

The headline Istanbul Chamber of Industry Turkey 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 to 52.6 in March from 51.7 in February, and signalled a solid improvement in the health of the sector. Business conditions have now

strengthened in ten successive months.

Total new orders returned to growth, ticking higher in March following a slowdown in the previous month. Panellists reported signs of improving demand, while new export orders rose for the third month running and at a faster pace than total new business.

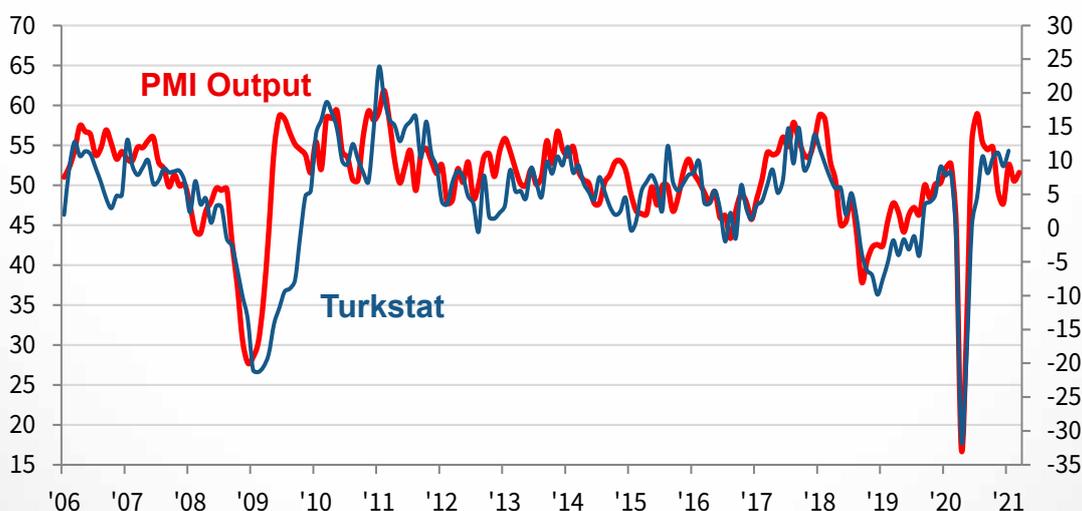
Higher new orders and the addition of new production lines supported an increase in output, the third in as many months. The rate of expansion quickened slightly, but there were some reports that raw material supply shortages had prevented a stronger increase in output.

These supply difficulties were highlighted by a further steep lengthening of suppliers' delivery times. Lead times increased to a greater extent than in February, with global freight cargo issues exacerbating supply shortages of raw materials.

Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) April 1 2021

Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

Supply shortages also added to inflationary pressures at the end of the first quarter, with currency weakness contributing to the fastest increase in input costs in the year-to-date. Similarly, output prices rose to the greatest extent since December, after the rate of inflation had slowed to a ten-month low in February.

Turkish manufacturers continued to expand staffing levels at a solid pace in March. Employment has now risen in each of the past ten months, with investment, new production lines and higher output requirements all mentioned as factors supporting job creation.

Purchasing activity was also up, reversing a slight slowdown recorded in February. Difficulties obtaining raw materials, however, undermined efforts to build stocks of purchases, which fell at the fastest pace in three months.

Comment

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

“The Turkish manufacturing sector managed to secure renewed increases in new orders and expand both output and employment again in March, despite facing some substantial headwinds. The increasingly familiar problem of difficulties obtaining raw materials affected suppliers’ delivery times, inventories and input costs, while acting to restrict growth of production. Inflationary pressures were exacerbated by currency weakness. Firms will be hoping that some of these headwinds start to ease in the months to come so that growth in the sector can start to build momentum.”

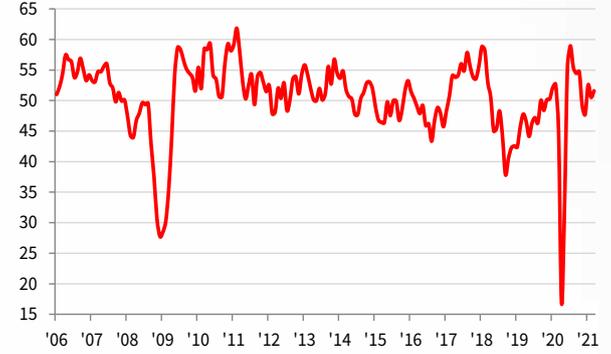
Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

Output Index

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

Turkish manufacturers increased their output for the third month running in March. The latest expansion was linked to higher new orders and new production lines. Although quicker than in February, the rate of growth remained modest. In some cases, firms indicated that raw material supply shortages had hindered operations.

sa, 50 = no change on previous month

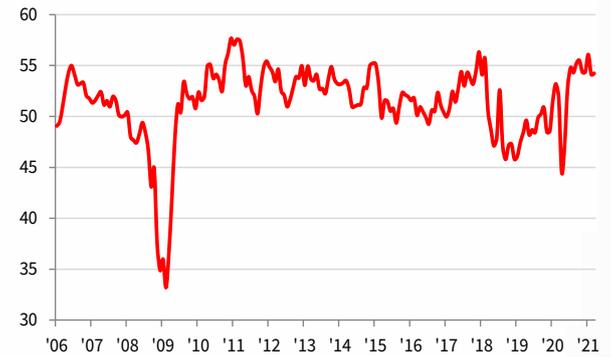


Employment Index

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

Employment continued to rise at a solid pace during March, extending the current sequence of job creation to ten months. The rate of growth in staffing levels was broadly in line with that seen in February. Higher output requirements, new investment and additional production lines were all noted as factors supporting job creation.

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

Joanna Vickers, Corporate Communications
Telephone +44 207 260 2234
Email: joanna.vickers@ihsmarkit.com

Istanbul Chamber of Industry Turkey 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.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2021 IHS Markit Ltd. All rights reserved.

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

Notes to Editors:

The Istanbul Chamber Of Industry Turkey Manufacturing PMI® (Purchasing Managers' Index) is produced by IHS Markit. 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.

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.

March data were collected 12-24 March 2021.

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 Turkey 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.