

## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

# July PMI reading of 46.7

### July 2019 Key findings:

- Weakest moderation of output in four months
- Stable new export order inflows
- Waning inflationary pressures signalled

### Summary

Turkish manufacturing sector business conditions remained challenging in July, according to the latest PMI® survey data from Istanbul Chamber of Industry and IHS Markit. That said, the rate of moderation in output softened to the weakest in four months amid steady export order flows. Firms were also helped by weaker inflationary pressures, with both input costs and output prices rising at reduced rates.

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 posted 46.7 in July, down slightly from 47.9 in June and signalling a modest slowdown

in business conditions.

Total new orders continued to soften amid challenging market conditions, particularly domestically. This was despite stability of new export orders, which followed an expansion in the previous month.

The relatively positive picture around exports encouraged some manufacturers to raise their output during July. As a result, the pace of moderation in production softened to the weakest since March.

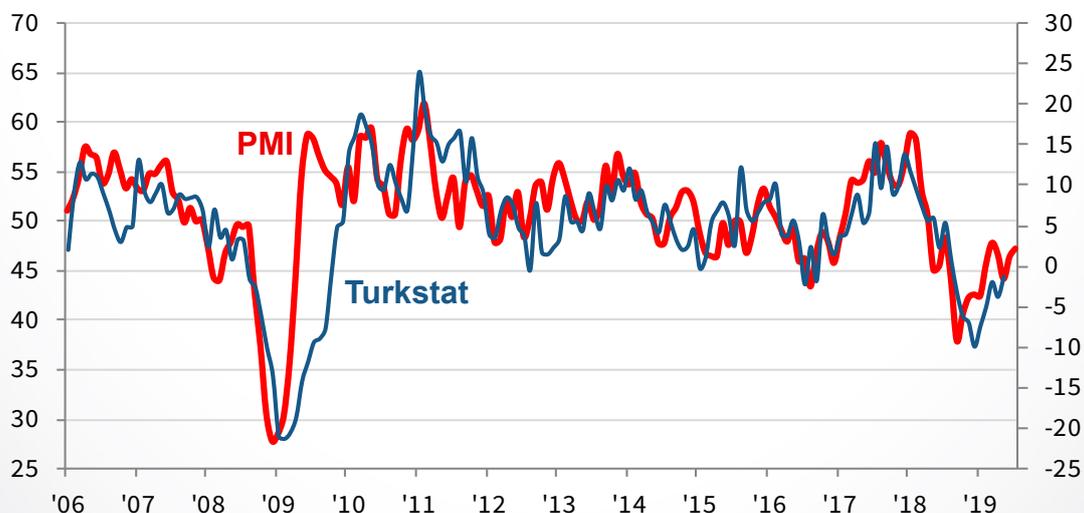
Production requirements continued to be reduced, however, leading both employment and purchasing activity to be scaled back. Slower input buying and sufficient stock holdings at suppliers contributed to the first improvement in delivery times for 27 months.

Inflationary pressures showed signs of waning in July. Although input costs continued to rise, the rate

### Historical overview

PMI Output Index, 50.0 = no change

industrial production yr/yr%



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) August 1 2019



## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

of inflation eased for the second month running and was below the series average. Similarly, the pace at which output prices increased softened to a five-month low and was much weaker than that seen this time last year.

### Comment

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

*“There were mixed signals for Turkish manufacturers from the latest PMI survey. On the one hand, demand conditions remained challenging in July, with total new orders moderating. On the other, stable exports to back up the rise in June helped lead to a softer scaling back of production. Waning inflationary pressures signalled by the PMI in recent months provided scope for the Central Bank of Turkey’s July interest rate cut.”*

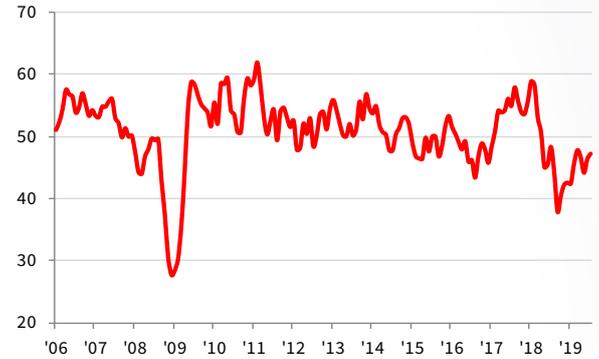
## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

### Output Index

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

Although challenging economic conditions in Turkey led to another slowdown in manufacturing production during July, the pace of moderation eased for the second month running and was the softest since March. There were some reports of manufacturers raising output in line with an improved picture around exports.

sa, 50 = no change on previous month

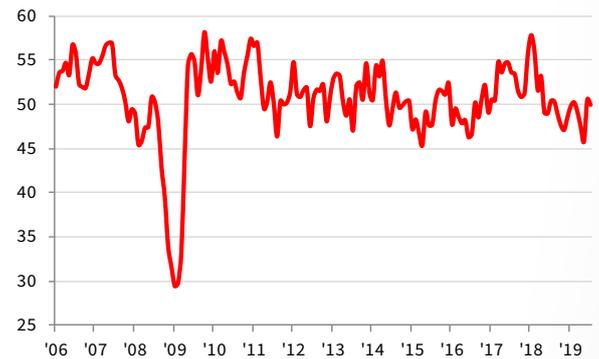


### New Export Orders Index

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

After having risen in the previous month, new export orders were stable in July. Greater activity in foreign markets and improving demand led to higher new business from abroad at some panellists, but others pointed to challenging demand conditions.

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](mailto:nakcay@iso.org.tr)

#### **IHS Markit**

Andrew Harker, Associate Director  
Telephone +44 1491 461 016  
Email: [andrew.harker@ihsmarkit.com](mailto:andrew.harker@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44 207 260 2234  
Email: [joanna.vickers@ihsmarkit.com](mailto: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 © 2019 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. To learn more go to [www.markit.com/product/pmi](http://www.markit.com/product/pmi).

## 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](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.

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.