

## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

# PMI registers 44.7 in November

### November 2018 Key findings:

- Marked easing in inflation of both input costs and output prices
- Business conditions continue to moderate, but at reduced pace
- Firms scale back employment again in November

### Summary

Latest PMI® survey data from Istanbul Chamber of Industry and IHS Markit suggested that marked reductions in inflationary pressures provided some respite for manufacturers during November. Business conditions remained challenging, leading to further moderations in output and new orders, but the rates at which they slowed were softer than in October.

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.

Rising for a second successive month, the PMI posted 44.7 in November from 44.3 in October.

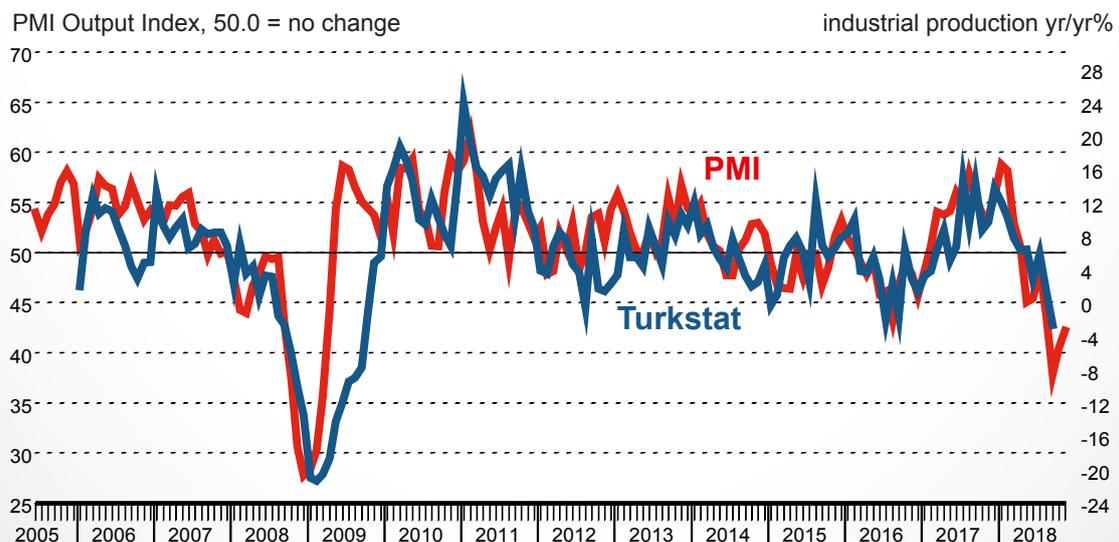
Although the reading indicated a further moderation of business conditions, the extent of the slowdown was the weakest in three months.

Gradual improvements in the lira exchange rate led to a sharp slowdown in rates of both input cost and output price inflation in November. Input prices increased to the least extent since September 2017, while output charges rose only slightly.

Output, new orders and employment all moderated to lesser extents in November. That said, marked slowdowns continued to be recorded as market conditions remained challenging.

Subdued demand conditions led manufacturers to prefer using existing inventories to support production as opposed to purchasing new inputs. As a result, both input buying and stocks of purchases moderated over the month.

### Historical overview



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) December 3 2018

TURKEY

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Suppliers' delivery times continued to lengthen in November. Some panellists indicated that vendors had difficulty in sourcing materials. Meanwhile, there were also reports that some suppliers were requesting cash payments, contributing to delays.

### Comment

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

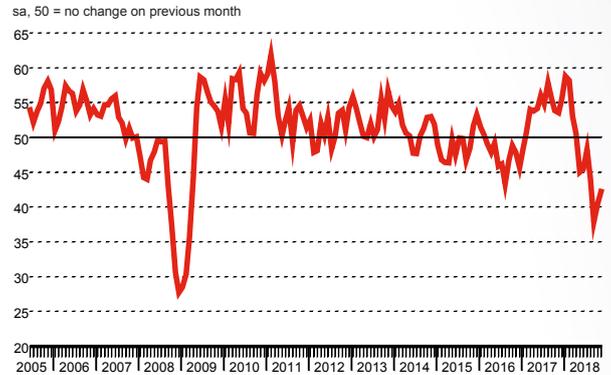
*“A marked easing of inflation is helping to alleviate some of the pressure on Turkish manufacturers as the lira exchange rate shows some improvement. While the worst of the current slowdown may be over, business conditions remain challenging and there is still some way to go before a return to growth is signalled.”*

## Istanbul Chamber of Industry Turkey PMI® Manufacturing Index

### Output Index

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

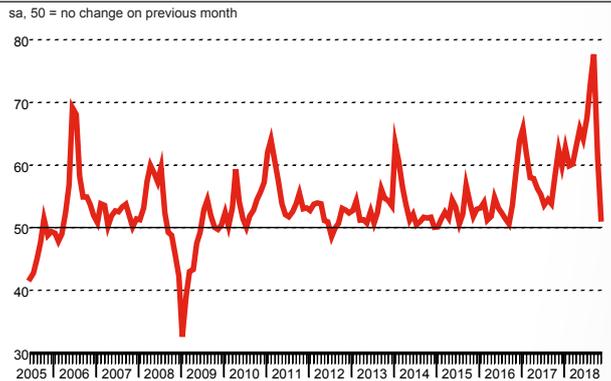
Although manufacturers in Turkey continued to scale back production in November, the pace at which output moderated eased further from that seen in September. While a number of panellists indicated that market conditions remained challenging, some reported that the situation had improved slightly.



### Output Prices Index

Q. Please compare the average price that you charge per unit of output (volume weighted) this month with the situation one month ago.

The rate of output price inflation slowed sharply again in November, with selling prices up only slightly during the month. Weaker charge inflation reflected a similarly marked slowdown in the pace at which input costs rose. Some firms indicated that they had reduced prices in response to competitive pressures.



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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.

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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. 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.

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