



Istanbul Chamber of Industry Turkey PMI™ Manufacturing Index

Turkish manufacturing upturn sustained in April

April 2017 Key findings:

- PMI remains above 50.0, signalling further improvement in business conditions
- Output, new orders and jobs continue to expand
- Input price inflation at six-month low

Summary

The latest PMI™ survey data from Istanbul Chamber of Industry and IHS Markit signalled a sustained improvement in business conditions in the Turkish manufacturing sector in April. Output, new orders, exports, purchasing and employment all continued to grow at the start of the second quarter. The latest survey results also revealed a further weakening of inflationary pressures in the goods-producing sector.

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.

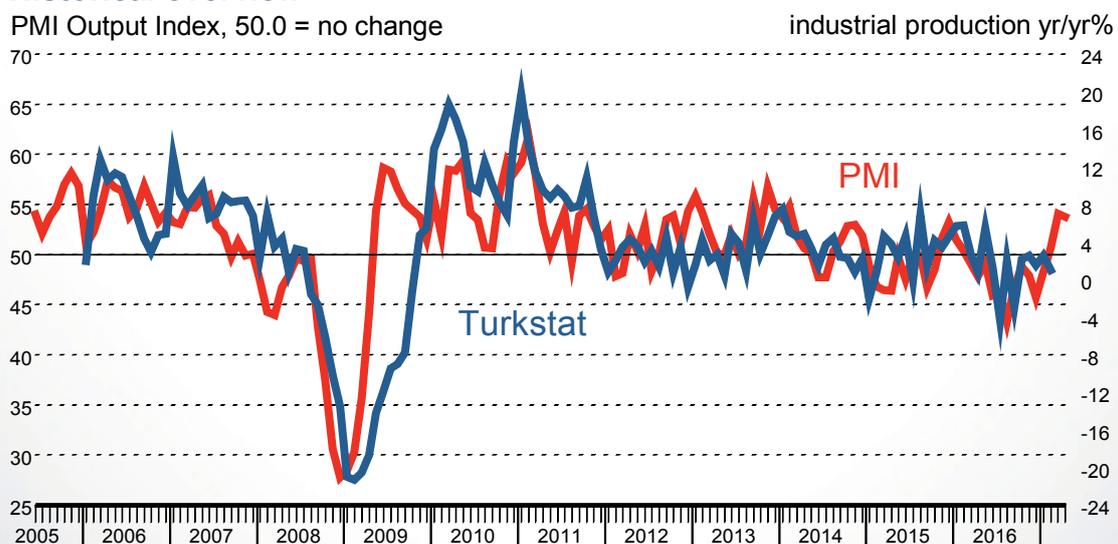
The PMI remained above 50.0 in April posting 51.7, down slightly from 52.3 in March. This followed one

of the largest month-on-month increases in the headline figure in the 12-year history of the survey in March. The PMI remained above its long-run trend level of 50.7 in the latest period and was the second-highest since December 2015, signalling a further solid overall improvement in manufacturing operating conditions.

Underpinning the overall upturn of the sector in April was a further rise in the volume of new orders. The rate of growth was slightly slower than in March but nonetheless the third-strongest in over three years. New export business increased for the fourth successive month.

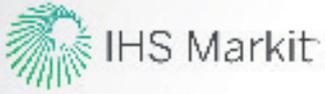
New business contributed to a further increase in output, which rose for the third consecutive month. The rate of growth eased since March but was the second-fastest in over three years. Firms were also

Historical overview



Embargoed until: 10:00 (ISTANBUL) / 0700 (UTC) May 2 2017





able to continue to deplete their backlogs of work during the month.

Turkish manufacturing employment increased for the eighth time in nine months in April. Goods producers also expanded their purchasing activity during the latest period.

Average input and output prices continued to rise in April, although the respective rates of inflation eased further to the slowest since last October.

Comment

Commenting on the Istanbul Chamber of Industry Turkey Manufacturing PMI survey data, Trevor Balchin, Senior Economist at IHS Markit, said:

“Turkey’s manufacturing upturn was sustained in April, with further solid growth rates signalled for output, new orders and exports. Buoyed by this, manufacturers expanded their workforces and purchasing activity. The latest survey results also signalled a further moderation in price pressures in the goods-producing sector.”



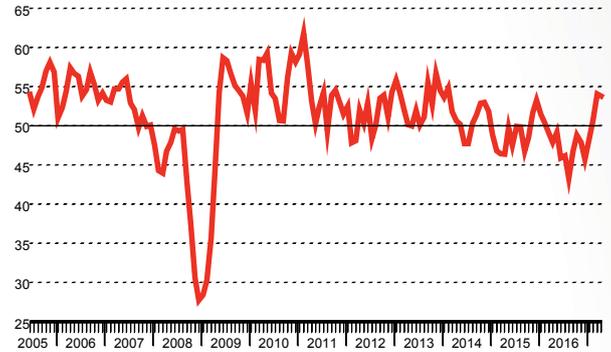
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Output Index

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

Manufacturing output in Turkey rose for the third month running in April. The rate of expansion eased since March but was still the second-fastest since February 2014. The seasonally adjusted Output Index was above its long-run trend level of 51.2.

sa, 50.0 = no change on previous month

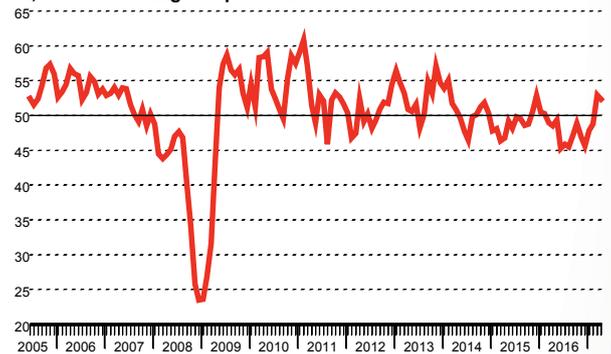


New Orders Index

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

Manufacturing new orders in Turkey rose for the second successive month in April. The rate of growth eased slightly since March's 15-month high, but it was solid nonetheless and the third-fastest in over three years. Firms reported improving market conditions.

sa, 50.0 = no change on previous month



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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 about 36% of the total added value propagated by Turkish industry. ICI members actualize approximately 34% of production of Turkish industry. Almost 40% 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 expertise to forge 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 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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About PMI:

Purchasing Managers' Index™ (PMI™) surveys are now available for over 30 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.

Notes to Editors:

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

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 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.

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