

Moderate slowdown in manufacturing industry continued in July

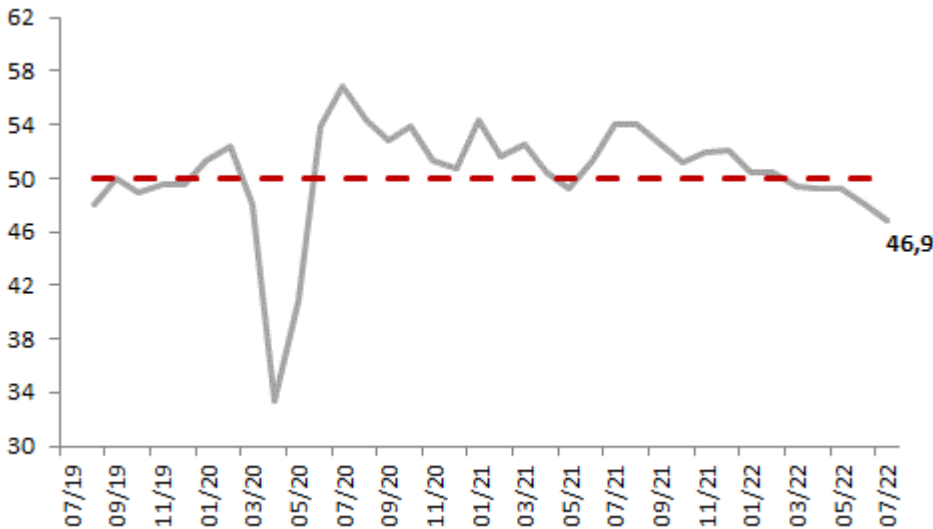
The manufacturing PMI index fell further in July to 46.9, the lowest level since May 2020. The index was below the 50 threshold level for the last five months, pointing to a loss of momentum in operating conditions. According to the statement, weak demand leads to slowdowns in output and new orders. The data indicates a limited increase in employment and slowdown in input cost and output inflation.

Of the leading indicators; real sector confidence index also declined in July. RKGE (m.a.) has been in a downward trend for the last six months, but the index still remains above the 100 threshold.

The important takeaways from the sub-indices are;

- **Ongoing slowdown in the production.** Production slowed down for the eighth month in a row. It was stated that fragile demand and market uncertainty had been behind the slowdown in production.
- Total new orders in July eased by the sharpest pace since the first wave of the COVID-19 pandemic. New export orders were broadly unchanged.
- Employment growth was the softest in 26 months. Suppliers delivery times continued to lengthen.
- According to the statement, input costs continued to rise amidst TL depreciation, but the latest increase was the softest since February 2021. Output price inflation was the weakest in almost a year-and-a-half.

Manufacturing PMI Index



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