

13 July 2020 **Snap** 

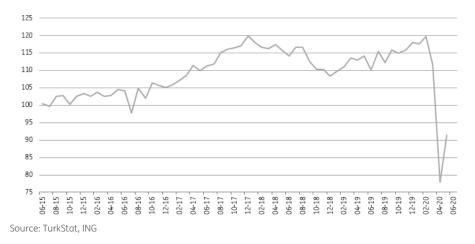
## Turkish industrial production improves, but still at 2013 levels

Turkish industrial production in May increased by 17.4% but it is still close to the levels seen last in 2013



Source: Shutterstock

After a collapse in April, Turkish industrial production (the seasonal and calendar adjusted, SA) increased by 17.4% month on month, which is not surprising as April was impacted by large scale measures against the pandemic with broad lockdowns. Even with the May figure, industrial production remained close to 2013 levels, showing that the full recovery to before pandemic levels will take time.



## Industrial production index (the seasonal and calendar adjusted)

Even though the majority of industrial companies restarted production in May, the rebound was not balanced.

The breakdown shows there were: 1) strong performers like motor vehicles production, showing a triple-digit jump at 190% (still significantly behind the level before the pandemic), followed by computer products, textiles, leather with more than 60% MoM growth for each; 2) sectors with low double-digit growth rates including furniture, other transport equipment, wood products; 3) low performers with single digits including, foods, beverages, chemicals, basic metals, pharmaceuticals etc; and 4) two sectors, petroleum and tobacco products, recording contraction on a month-on-month basis.

In year-on-year terms, industrial production (calendar adjusted) was down 19.9% and, not adjusting for working days, it was more than 30% lower compared to the 31.2% YoY plunge in April.

Overall, industrial production showed a strong rebound in May, as expected, as lockdowns eased.

However, the recovery was far from balanced with more limited growth in a number of sub-sectors of manufacturing and full recovery will take a long time as the level of production after the rebound is far from pre-pandemic levels.

## Muhammet Mercan

ChiefEconomist, Turkey +90 212 329 0751 muhammet.mercan@ingbank.com.tr

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. ING forms part of ING Group (being for this purpose ING Group NV and its subsidiary and affiliated companies). The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice. The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. The producing legal entity ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is subject to limited regulation by the Financial Conduct Authority (FCA). ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.