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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)



Source: TurkStat, ING

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.

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