

POSITIVE SIGNAL FROM INDUSTRIAL PRODUCTION IN OCTOBER

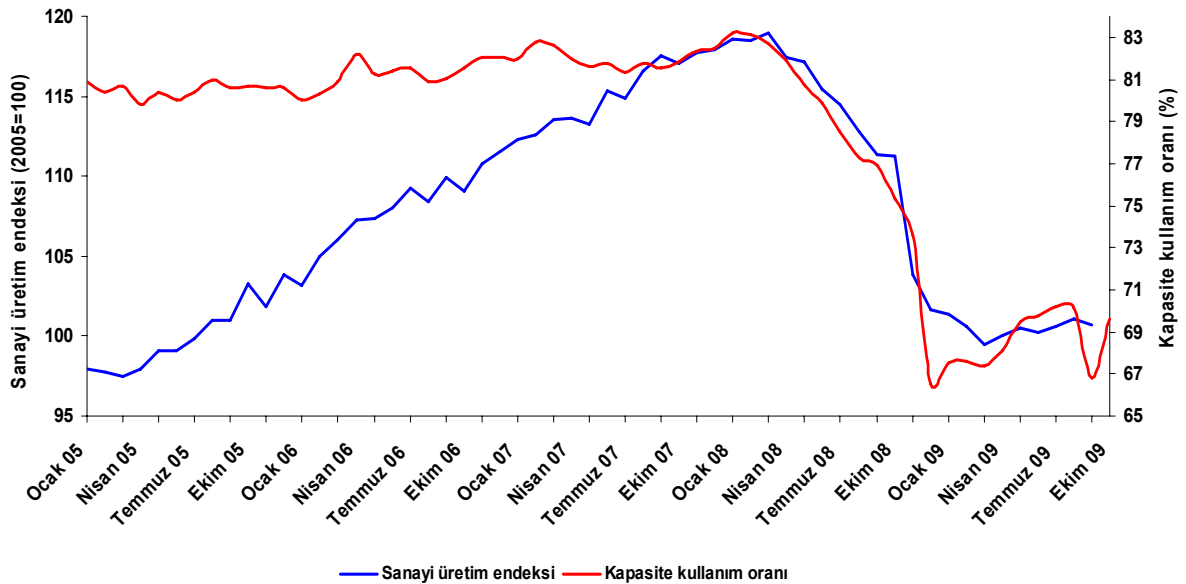
Seyfettin Gürsel* and Arda Aktaş**

TURKSTAT released the statistics of the monthly survey of tendencies in the manufacturing industry. According to the raw series released, the capacity utilization rate for total industry decreased by 4.9 points compared to the same month in previous year; increased 1.4 points compared to September and reached to 71.8 percent.

Once the series is seasonally adjusted and corrected for calendar day effects, we find that the capacity utilization rate increased by 2.8 points from September to October and reached 69.6 percent. The capacity utilization rate decreased by 3.3 points from August to September and fell to 66.8 percent in seasonally adjusted and calendar day corrected terms. The increase in October's capacity utilization rate can be interpreted as the beginning of a recovery in industrial production.

We estimate that this increase in the capacity utilization rate in October positively affected the industrial production. If this is verified by the industrial production realization that will be released on December 8th, we can conclude that a recovery in industrial production is on its way.

**Figure 1 Industrial Production Index (2005=100) and Capacity Utilization Ratio(%)
(Seasonally adjusted and calendar day corrected)**



Source: TURKSTAT, **betam**

* Prof. Seyfettin Gürsel, **betam**, Director, seyfettin.gursel@bahcesehir.edu.tr

** Arda Aktaş, **betam**, Research Assistant, arda.aktas@bahcesehir.edu.tr