

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Demand conditions in export markets continue to recover



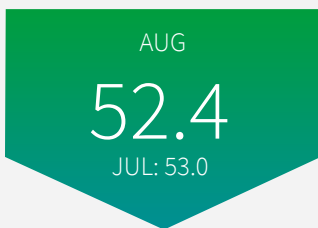
KEY FINDINGS

Export Climate Index posts 52.4 in August

US output rises at fastest pace in 17 months

Some eurozone economies see recoveries stall

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

Sep-19	50.3
Oct-19	50.3
Nov-19	50.1
Dec-19	50.3
Jan-20	51.1
Feb-20	50.4
Mar-20	35.7
Apr-20	19.1
May-20	34.1
Jun-20	47.5
Jul-20	53.0
Aug-20	52.4

The export climate for Turkish manufacturers continued to improve in August as a number of countries were in recovery mode during the month. That said, there were signs of growth stalling in some parts of Europe.

The Turkey Manufacturing Export Climate Index is calculated by weighting together national PMI data on output trends from PMI surveys. Weights are derived from statistics on the relative importance of individual trading partners' contributions to the exports of Turkish manufacturers.

The Istanbul Chamber of Industry Turkey Manufacturing Export Climate Index remained above the 50.0 no-change mark during August, signalling a second successive monthly improvement in demand conditions in export markets. Although dipping to 52.4 in August, from 53.0 in July, the reading still signalled a solid strengthening of the export climate.

The overall improvement masked wide-ranging trends across different

export markets during the month. Some countries remained mired in coronavirus disease 2019 (COVID-19) downturns, others saw nascent recoveries stall, while there were also a number of economies where demand strengthened.

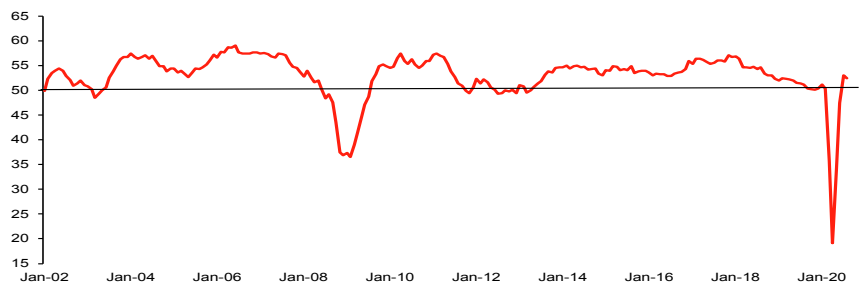
Encouragingly, the world's largest economy - the US - saw output growth accelerate to a 17-month high midway through the third quarter. The US accounts for around 5% of Turkish manufacturing exports. Canada also saw the rate of expansion quicken, with the latest rise in manufacturing production the strongest for two years.

There were signs of recoveries stalling in a number of eurozone economies amid increasing COVID-19 case numbers. Both Italy and Spain posted reductions in activity during August, following increases in July. Elsewhere, France and Germany continued to see output rise, but to a lesser extent than in the previous month.

The UK (the second-largest export

Manufacturing PMI Export Climate Index

sa, %50=improvement since previous month



Embargoed until: 8 September at 10:00 (Istanbul) / 07:00 (UTC)

market for Turkish manufactured goods) registered a sharp and accelerated expansion of activity in August as the rebound in output following the COVID-19 lockdown continued.

The Russian private sector also saw growth strengthen, with the latest increase the fastest since January 2017. Other areas recording a solid recovery from the COVID-19 pandemic included mainland China, where output rose for the fourth month running, and at a marked pace.

Other BRIC nations registered contrasting trends. Brazil posted a return to growth of activity thanks to a steep increase in manufacturing production. Meanwhile, output in India continued to fall, extending the current sequence of decline to five months.

Demand conditions in the Middle East were generally subdued in August. Non-oil activity fell slightly in Saudi Arabia, while modest improvements were recorded in the UAE and Egypt.

Comment

Commenting on the Istanbul Chamber of Industry Turkey Manufacturing Export Climate Index, Andrew Harker, Economics Director, IHS Markit, said:

“Demand conditions for exports improved overall in August, but the latest data highlight the somewhat erratic and unpredictable nature of the recovery. After driving improvements last month, a number of countries in the eurozone saw their recoveries stall in the face of renewed rises in COVID-19 case numbers. It was therefore the turn of the US and UK to take up the baton, with the former posting the fastest rise in output for almost a year-and-a-half. Turkish firms look set to have to deal with rapid changes in demand conditions in export markets for some time to come.”

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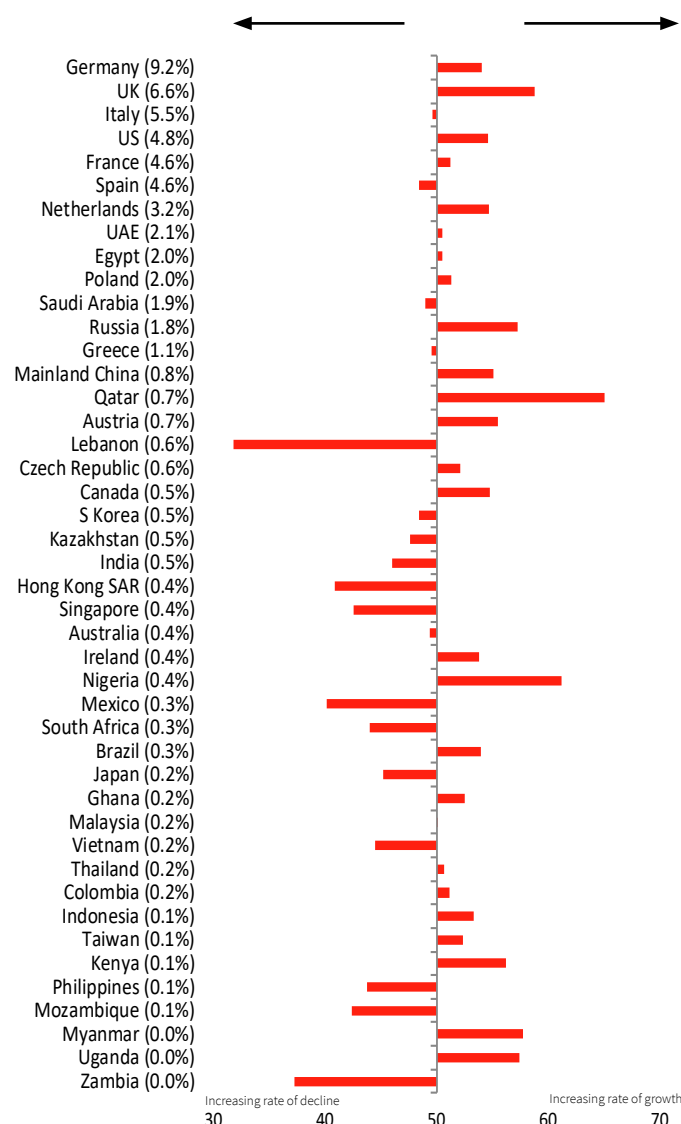
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Country rankings

PMI Output Index (ordered by export weight in full-year 2019)

sa, >50= growth since previous month



Sources: ICI, IHS Markit

IHS Markit

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About Export Climate Index

The Export Climate PMI indices are calculated by weighting together national PMI survey data on output trends. Weights are derived from official statistics relating to the relative importance of individual trading partners' contributions to the external trade of a specific country. By weighting together the output trends from national PMI surveys according to their importance to the external trade of Turkish manufacturers, an advance indicator for the economic health of their export markets is obtained. All data are seasonally adjusted.

Any reading above the 50.0 no-change mark indicates an improvement in the health of the export climate, with any reading below 50.0 signalling a deterioration. The further away from 50.0 the index reading is, the greater the change in the export climate.

About 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 more than 40% of the total added value propagated by Turkish industry. ICI members actualize approximately 35% of production of Turkish industry. 36% 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 (NYSE: INFO) is a world leader in critical information, analytics and 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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