

ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Modest slowdown in export demand

KEY FINDINGS

ECI dips to 47.8 in November

Faster reduction in US business activity

UAE remains key source of growth

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

Dec-21	53.9
Jan-22	52.3
Feb-22	55.2
Mar-22	53.9
Apr-22	54.4
May-22	53.2
Jun-22	51.8
Jul-22	50.0
Aug-22	48.8
Sep-22	48.8
Oct-22	47.9
Nov-22	47.8

Turkish manufacturing exporters continued to face difficult demand conditions in November, with a number of key markets seeing business activity fall midway through the final quarter of the year. The rate of decline accelerated in the US while demand conditions worsened across a range of European economies. The Middle East, and the UAE in particular, remained the main bright spot.

The Türkiye 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 Türkiye Manufacturing Export Climate Index ticked down fractionally to 47.8 in November from 47.9 in October, thereby signalling a fourth consecutive monthly deterioration in the export climate for Turkish manufacturers. Although

modest, the latest decline in demand conditions was the most marked since June 2020.

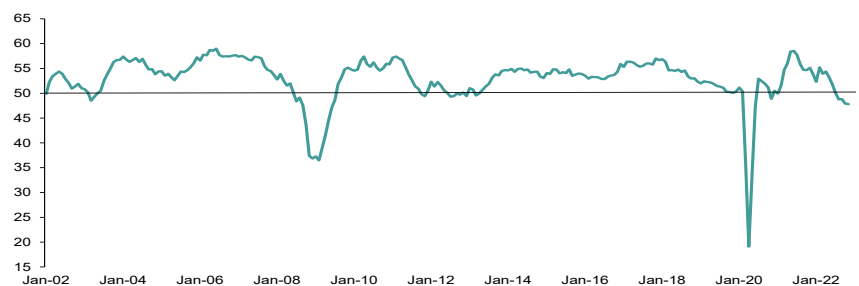
The US, which accounts for around 7% of Turkish manufacturing exports, saw output fall solidly during November, with the rate of reduction accelerating to the fastest since August.

Business activity also moderated across a range of European economies over the course of the month. The UK, France and the Netherlands were among those to see rates of decline quicken since October. Meanwhile, ongoing but softer reductions were seen in Germany, Italy and Spain. The European countries covered by PMI data are the destination for around 39% of Turkish manufacturing exports.

The main source of growth in the global economy at present is the Middle East, and this was evident again in November. The five Middle East economies covered by the report account for 6% of manufacturing exports, with the largest

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



single destination in the region the UAE. Non-oil business activity in the UAE continued to rise sharply midway through the final quarter of the year, albeit at the slowest pace in ten months. Growth was also signalled in Qatar and Saudi Arabia, but Lebanon and Egypt posted reductions in activity.

Outside of the Middle East, India remained a source of improving demand, with the rate of expansion at a three-month high.

Of the economies covered by the report, the sharpest decline in output in November was seen in Taiwan. Manufacturing production decreased for the eighth consecutive month and at a rapid pace, albeit one that was softer than in October.

Comment

Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing Export Climate Index, Andrew Harker, Economics Director, S&P Global Market Intelligence, said:

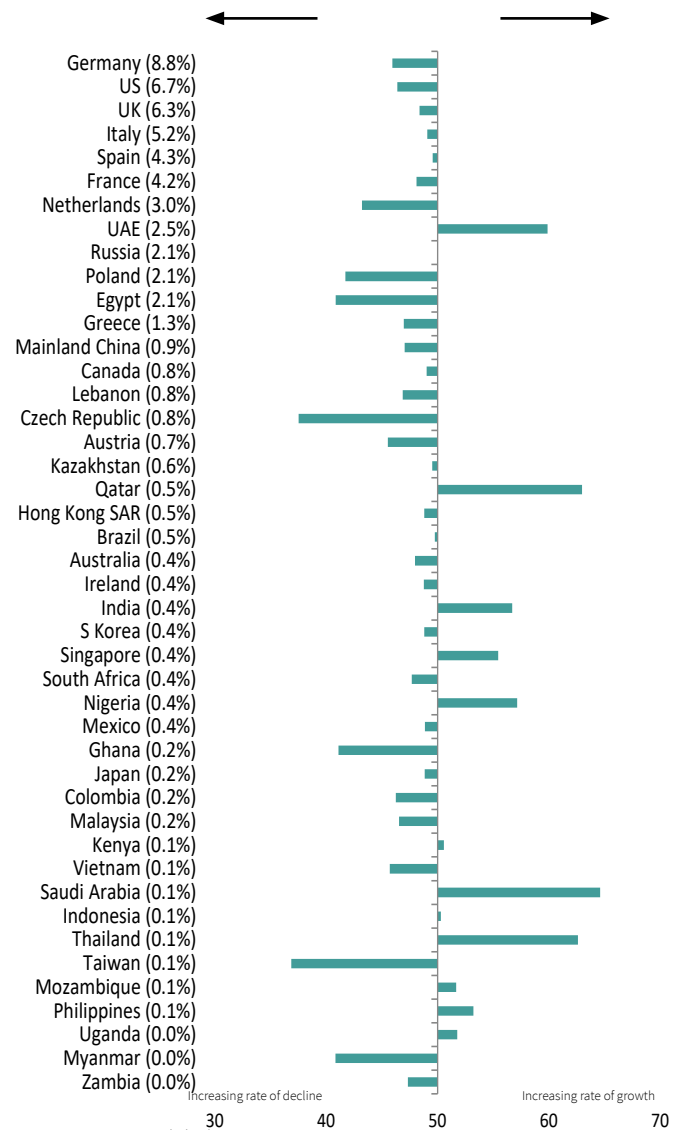
“The latest Turkey Manufacturing Export Climate Index highlights a continuation of the recent trends, in which declining business activity in Europe and the US are balanced to some extent by improving demand in the Middle East. The breadth of the downturns in some of the key export markets for Turkish manufacturers, however, means that firms are likely to continue to face challenges securing new work for some time to come.”

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Country rankings

PMI Output Index (ordered by export weight in full-year 2021)
sa, >50= growth since previous month



Sources: ICI, S&P Global

S&P Global Market Intelligence

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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 Türkiye'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 Türkiye'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.

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