



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export demand conditions ease for second month running



KEY FINDINGS

ECI dips to 49.0 in September

Output drops across much of Europe

Middle East maintains growth

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

Oct-22	47.9
Nov-22	47.8
Dec-22	48.5
Jan-23	49.5
Feb-23	51.7
Mar-23	52.6
Apr-23	53.1
May-23	52.3
Jun-23	51.1
Jul-23	50.3
Aug-23	49.1
Sep-23	49.0

Overall demand conditions in export markets for Turkish manufacturers declined for the second month running in September, primarily due to weakness in Europe. Growth was again centred on the Middle East and India, while the US saw broadly stable demand conditions at the end of the third quarter.

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 posted 49.0 in September, down from 49.1 in August and therefore below the 50.0 no-change mark for the second month in a row. The deterioration in demand conditions in export markets was broadly in line with that seen in the previous month.

Central to the decline in the export climate was worsening demand in Europe. The four largest European export markets for Turkish manufacturers - Germany, the UK, Italy and France - all posted reductions in business activity in September. Combined, these markets account for around 23% of Turkish manufacturing exports.

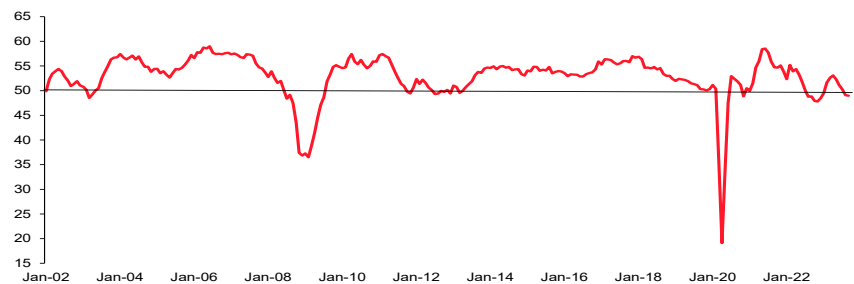
Elsewhere in Europe, there were also falls in output in the Netherlands, Austria, Poland and the Czech Republic. More positively, growth was recorded in Spain, Ireland and Greece.

Meanwhile, the US continued to eke out expansions in activity at the end of the third quarter. Output increased marginally, and at the same pace as seen in August.

Demand in the Middle East generally remained buoyant. Rates of expansion accelerated in the UAE and Saudi Arabia, while Qatar posted a marked expansion in activity. Reductions in output were seen in Egypt and Lebanon.

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





Away from the Middle East, the sharpest increase in activity of all the countries covered was in India, where the rapid expansion was broadly in line with that recorded in the previous survey period.

The performance of the other BRIC nations was more mixed. Output in Russia continued to rise markedly, while growth in Mainland China eased to a nine-month low. Brazil posted a renewed reduction in activity following a slight increase in August. Although modest, the pace of decline was the most marked in almost two-and-a-half years.

Comment

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

“Economic weakness in Europe continued to present a hurdle for Turkish manufacturers in September, limiting the options for export sales as the third quarter drew to a close. With the US only just maintaining growth, the UAE was again the principal source of demand improvements among the key export markets for Turkish firms, while activity in Russia also remained resilient.”

**For further information, please contact:
Istanbul Chamber of Industry**

Nesrin Akçay, Economic Research and Corporate Finance
Department Mng.
Telephone +90 212 252 29 00 Ext: 180
Email: nakcay@iso.org.tr

Country rankings

PMI Output Index (ordered by export weight in full-year 2022)
sa, >50= growth since previous month



Sources: ICI, S&P Global PMI.

S&P Global Market Intelligence

Andrew Harker, Economics Director
Telephone +44 1491 461 016
Email: andrew.harker@spglobal.com



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.

About S&P Global

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