

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate improves in July



## KEY FINDINGS

Export Climate Index increases to 53.0 in July

Key export markets post returns to growth

Some markets see ongoing struggles with COVID-19

## TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

Aug-19	51.1
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

Turkish manufacturers saw the export climate improve for the first time in five months during July amid signs of demand strengthening across a range of countries across the world. Some parts of Europe in particular saw business activity pick up sharply amid an easing of restrictions. That said, the ongoing coronavirus disease 2019 (COVID-19) pandemic meant that some areas continued to find growth elusive.

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 posted 53.0 in July, up from 47.5 in June and above the 50.0 no-change mark for the first time in five months. The reading signalled an improvement in demand conditions for Turkish manufacturing

exporters.

Most of the top ten destinations for Turkish manufacturing exports registered growth of output during July as economies continued to show signs of recovery following severe COVID-19 downturns through the second quarter of the year.

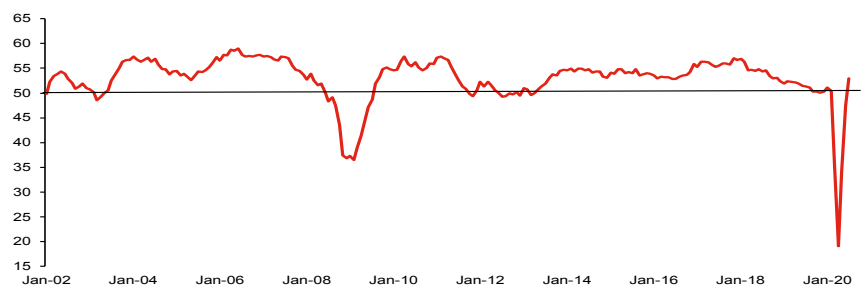
Germany, the UK and Italy (which combined account for over one-fifth of manufacturing exports) all returned to growth in July amid more normal business conditions as lockdowns eased.

Other European countries such as France, Spain and Poland also posted increases in output. The Netherlands continued to record declining manufacturing production, although the rate of contraction was the softest in the current five-month sequence of reductions.

Business activity expanded in the US, but the rate of growth was only marginal as some states began to reintroduce

## Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month



restrictions due to concerns around rising COVID-19 case numbers.

There was a mixed picture in the Middle East. Improving demand conditions were signalled in the UAE, Egypt and Qatar, but declines in activity were seen in Saudi Arabia and Lebanon.

Latin America was generally a source of weakness again at the start of the third quarter as COVID-19 remained prevalent. Further reductions in activity were seen in Mexico and Brazil, but Colombia posted a rise in output.

Mainland China recorded a third successive month of growth, with the rate of expansion remaining solid. Across other BRIC nations, Russia signalled a sharp rise in business activity but India remained deep in contraction territory.

### Comment

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

“Turkish manufacturers’ main export markets continued to recover from COVID-19 related downturns in July, fuelling hopes that the reopening of key external markets will help to support the recent improvements in demand seen in the manufacturing sector. Signs of virus cases picking up in some parts of the world, however, highlight how fragile these recoveries are at present, with the potential for new restrictions to be introduced at any time to throw the recovery off course.”

### For further information, please contact:

#### Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance Department Mng.

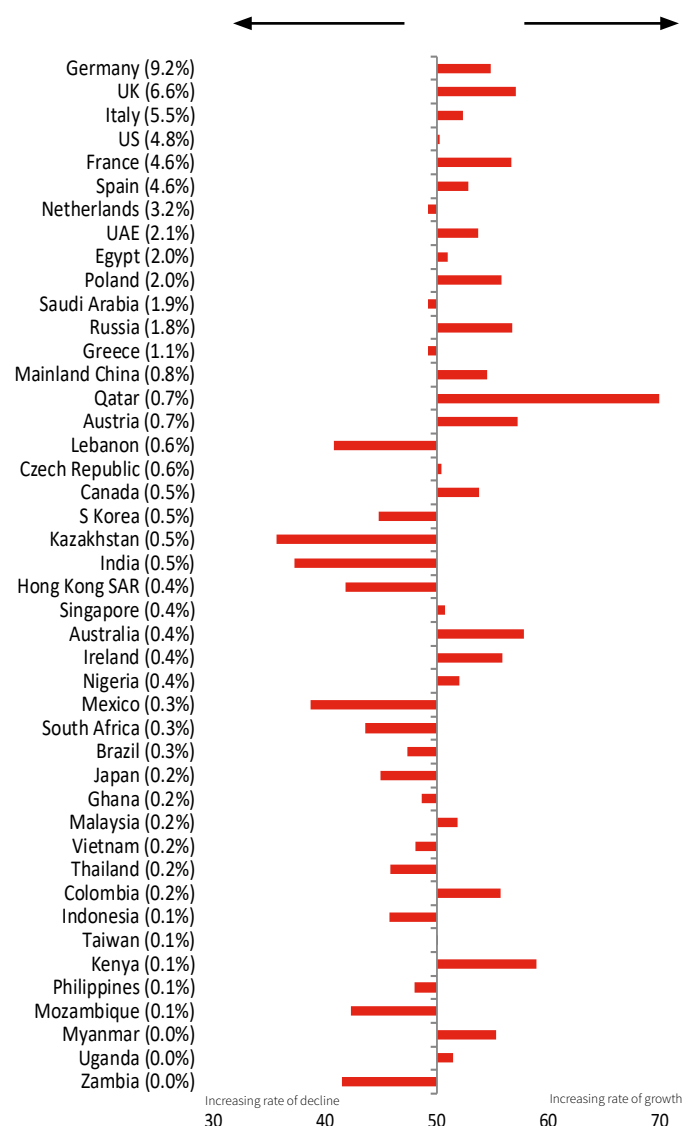
Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

### Country rankings

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

sa, >50= growth since previous month



Sources: ICI, IHS Markit

#### IHS Markit

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: andrew.harker@ihsmarkit.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 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.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2020 IHS Markit Ltd. All rights reserved.

**The intellectual property rights to the Istanbul Chamber of Industry Turkey Export Climate Index provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Istanbul Chamber of Industry uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd.**