

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Turkey's Export Climate Index at 51.9 in May

KEY FINDINGS

Export climate continues to improve at a slowing pace

US output growth at three-year low

Modest growth in eurozone

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

Jun-18	54.8
Jul-18	54.3
Aug-18	54.6
Sep-18	53.4
Oct-18	53.0
Nov-18	53.0
Dec-18	52.3
Jan-19	52.0
Feb-19	52.4
Mar-19	52.3
Apr-19	52.2
May-19	51.9

Global economic conditions remained relatively subdued in May, with growth in most of Turkish manufacturers' key export markets either softening or remaining muted over the month. As a result the overall improvement in export conditions slowed down.

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 51.9, following 52.2 in April. Although still signalling an improvement in demand conditions in export markets, the climate strengthened to a lesser extent.

One of the key factors behind the softening picture in May was a slowdown in growth in the US, which accounts for

5% of Turkey's manufacturing exports. Business activity rose only slightly in the US during May, and at the slowest pace in three years. Softer growth was registered in both the manufacturing and services sectors.

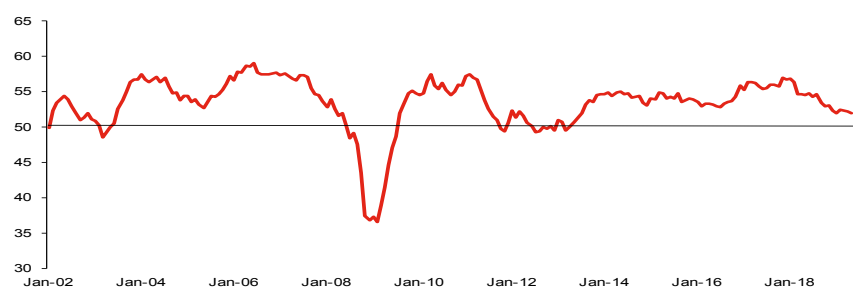
The opening part of 2019 featured a slowdown in growth across a number of European economies, and growth generally remained modest in May. The largest single destination for Turkish manufactured products is Germany, where private sector output rose at the fastest pace in three months. That said, the manufacturing sector remained in contraction.

Modest improvements in demand were seen in the UK, France and Spain, while activity in Italy was broadly unchanged over the month.

Other leading export markets for Turkish manufactured goods, such as Poland and Egypt, posted declines in output midway through the second quarter. The drop in Egyptian activity contrasted

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





with a continued strong growth picture in other Middle Eastern economies like the UAE and Saudi Arabia.

Latest PMI data for China pointed to an improvement in demand conditions, albeit one that was the slowest in three months. Staying in Asia, rates of growth remained subdued in both Japan and India, showing little change from the picture in April.

Comment

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

“Recently, Turkish manufacturers have been seeking to focus more on the export markets. However, global economic conditions remain subdued, limiting growth in Turkey’s main export destinations as well. That said, the competitive advantage of the Turkish lira is likely to mitigate the negative effects of the slowdown in the global economy to some extent.”

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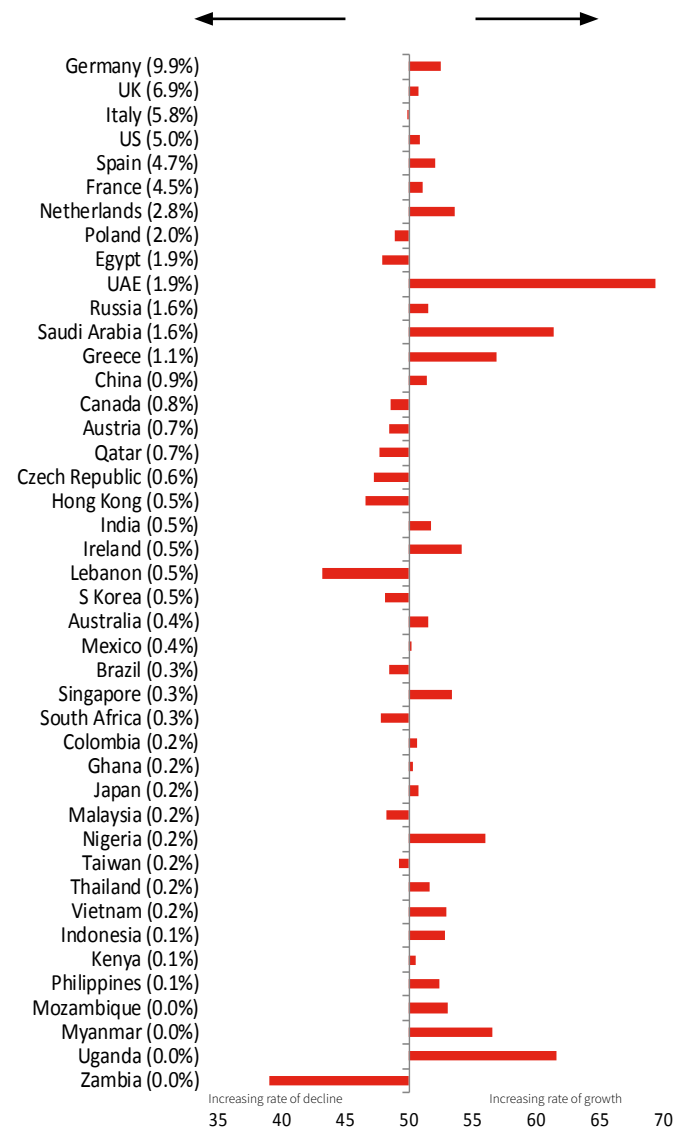
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Country rankings

PMI Output Index (ordered by export weight in full-year 2018)

sa, >50= growth since previous month



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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 (Nasdaq: 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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