

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index at 51.1 in August



KEY FINDINGS

Modest strengthening of export conditions

Slower rise in US business activity

German growth picks up, but manufacturing contracts

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jun-19	51.5
Jul-19	51.3
Aug-19	51.1

The rate of improvement in the export climate for Turkish manufacturers softened again in August amid slower growth in the US and continued subdued expansions in a number of European economies. There was further evidence of weakness in worldwide manufacturing.

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 recorded 51.1 in August, following a reading of 51.3 in July. Although signalling a modest improvement in demand conditions in export markets, the climate strengthened to the least extent since May 2013. In fact, the rate of improvement has now eased in six consecutive months as the global

economy has slowed.

The single largest export market for Turkey's manufacturers is Germany, and there were signs of growth picking up in the euro area's largest economy. That said, the expansion in activity was centred on the service sector as manufacturing production continued to decline.

There were also signs of improving growth in other eurozone markets such as France, Spain, the Netherlands, Greece and Ireland. Output was broadly stagnant in Italy, which is one of the top five destinations for Turkish manufacturing exports.

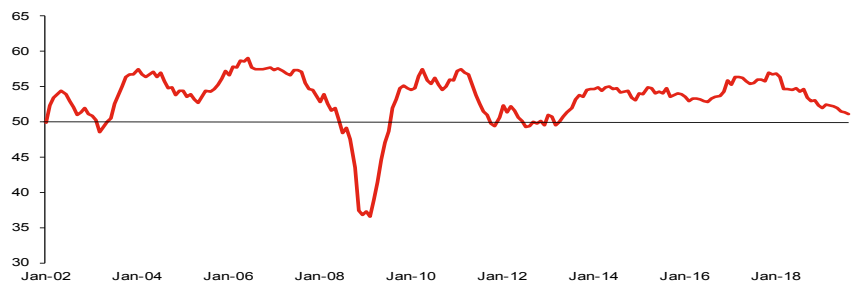
Continued weakness was evident in the UK, where business activity decreased for the second time in the past three months. The pace of decline was only marginal, however.

Falls in output were also recorded in Austria, the Czech Republic and Poland.

The US is the destination of 5% of

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





Turkish manufacturing exports, and the world's largest economy showed further signs of slowing in August. Output rose marginally, and at the slowest pace in three-and-a-half years. Canada, meanwhile, saw manufacturing production decrease again.

Continued increases in business activity were registered in Middle Eastern economies, particularly Saudi Arabia where the rate of expansion accelerated. Growth softened in the UAE, however, while Egypt returned to contraction.

Increases in activity were seen in each of the four BRIC nations during August, with rates of expansion picking up in Brazil, Russia and China.

Finally, there was a notable decline in business activity in the Hong Kong private sector as local protests disrupted operations.

Comment

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

“Worldwide manufacturing struggles continued to pose a challenge for Turkish exporters in August. Although services economies are generally still performing solidly, overall demand conditions remain soft. The US was a particular concern in the latest survey period, with growth at a three-and-a-half year low. Meanwhile, there were mixed fortunes in European markets, with some countries seeing growth solidify but the UK dipping into contraction.”

For further information, please contact:

Istanbul Chamber of Industry

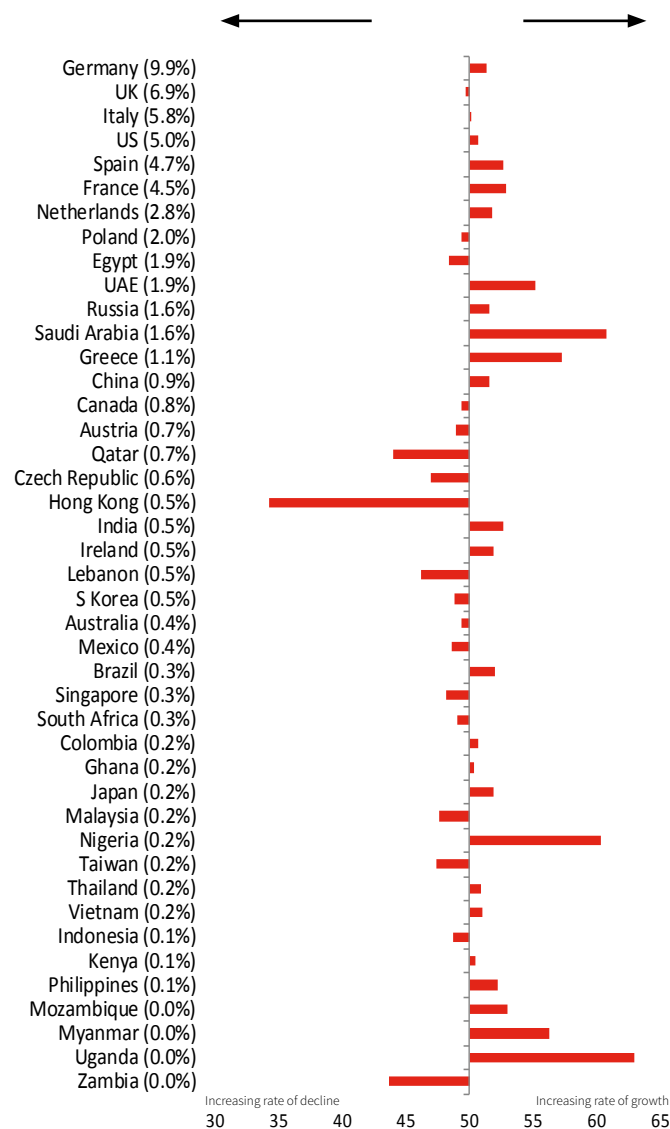
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Country rankings

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 (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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