

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index at 50.3 in September



KEY FINDINGS

Export climate continued to improve moderately

Germany and UK see output decrease

Modest growth recorded in other key markets

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Sep-19	50.3

Latest PMI data signalled a challenging demand environment for Turkish manufacturing exporters, with some key trading partners seeing reductions in business activity during September. Weakness remained particularly evident in European markets. Meanwhile, there was a slight uptick in growth in the US, but the rate of expansion remained muted.

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 dropped to 50.3 in September from 51.1 in August. Although still signalling a strengthening of demand conditions in export markets at the end of the third quarter, the rate of improvement was only marginal and the softest in

the current 77-month sequence of expansion.

The two largest export destinations for Turkish manufactured goods - Germany and the UK - each saw business activity decrease in September.

The fall in Germany was the first since April 2013, with the services and construction sectors failing to offset a sharp manufacturing downturn.

Meanwhile, output in the UK decreased for the third time in the past four months, with declines in activity seen across the manufacturing, services and construction sectors.

The growth picture was also muted in other European markets in September, with weakness centred on the manufacturing sector. In fact, eurozone manufacturing output contracted to the greatest extent since the end of 2012.

Rates of expansion in business activity softened in France, Spain, Ireland and the Netherlands, while Italy posted

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month



another month of only marginal growth.

The US accounts for 5% of Turkish manufacturing exports, and business activity in the world's largest economy increased at a slightly faster pace in September. That said, the rate of expansion remained muted.

Mixed performances were seen in the Middle East at the end of the third quarter. Saudi Arabia and the UAE continued to see business activity rise at marked rates. On the other hand, Egypt, Qatar and Lebanon all recorded decreases in output during September.

Brazil, China and Russia each saw business activity increase, but there were signs of weakness in the Indian economy, with output falling for the first time in just over a year-and-a-half.

Comment

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

“Falling demand in Turkey’s two largest markets for manufacturing exports - Germany and the UK - means that sales are likely to become harder to achieve. In fact, only modest improvements in activity were seen in other key export destinations in September. A competitive currency could turn out to be an advantage for exporters in this scenario, with customers likely to be swayed by the opportunity to reduce costs.”

For further information, please contact:

Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance Department Mng.

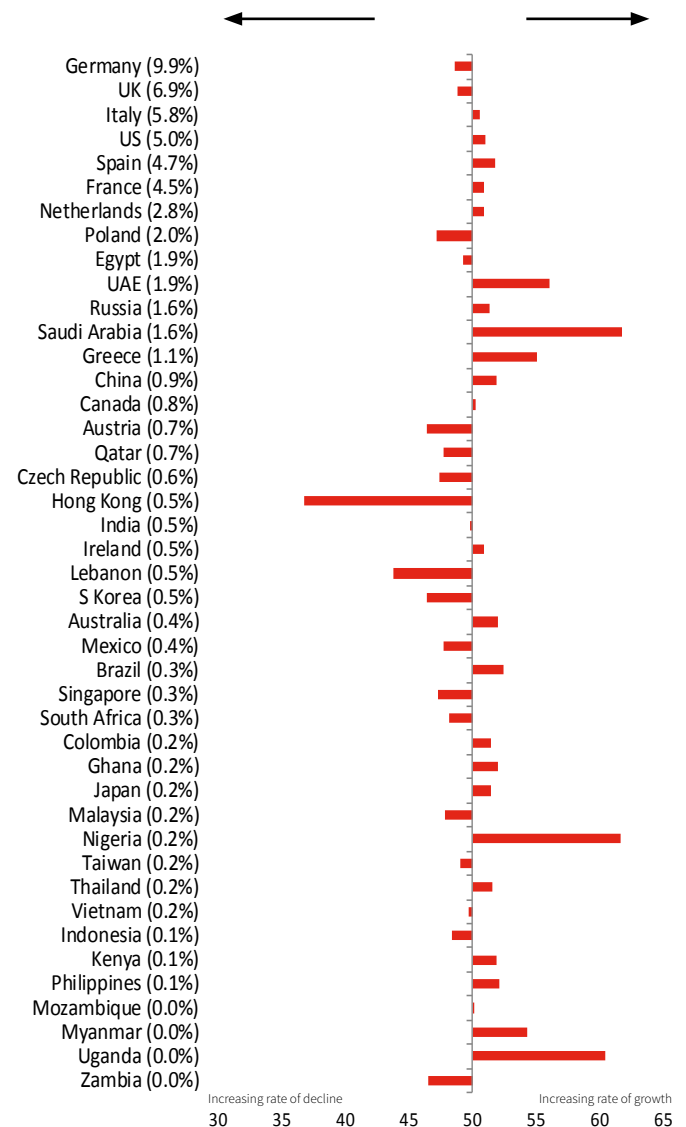
Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

Country rankings

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

sa, >50= growth since previous month



IHS Markit

Andrew Harker, Associate 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 © 2019 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.