

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index remains at 50.3 in October



KEY FINDINGS

Export climate continues to improve marginally

Germany and UK see further declines in activity

Modest growth in US and other key European economies

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Oct-19	50.3

A further marginal improvement in conditions for exporters was recorded in October, according to latest PMI data. Demand generally remained muted in key European markets and the US, but there were some pockets of strengthening rates of growth.

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 50.3 in October, unchanged from the reading in September and signalling a marginal improvement in demand conditions for Turkish manufacturing exporters. The climate strengthened at the joint-slowest pace for six-and-a-half years.

As was the case in September, both

Germany and the UK posted slight reductions in business activity during October. Together, these economies account for around 17% of Turkey's manufacturing exports.

Germany's weakness was centred on the manufacturing sector, where output continued to fall sharply.

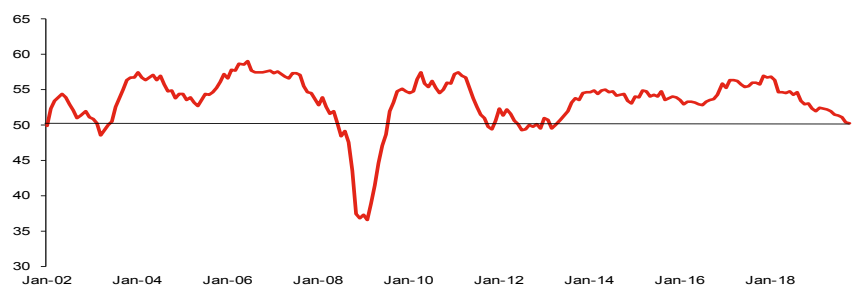
Elsewhere in Europe, modest growth continued to be registered in Italy and Spain. Meanwhile, France was a relative bright-spot, with output rising at a solid pace that was faster than in September. This was in part thanks to a return to growth of manufacturing output.

Elsewhere, however, the picture for manufacturing was less rosy, with the Netherlands, Poland, Czech Republic and Austria all seeing production decrease. The fall in the Netherlands was the first since April 2013, while the decline in Poland was the sharpest in over a decade.

The US recorded another slight improvement in demand conditions in

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





October, with activity increasing at a broadly similar pace to the previous month. This left growth momentum at the weakest in around three-and-a-half years.

Areas of more positive performance included China and Russia. Overall growth in China picked up to a six-month high, led by manufacturing where the rate of expansion was the fastest in almost three years. Meanwhile, Russian business activity increased at a solid pace that was the sharpest since March.

Saudi Arabia remained a key source of improving demand, with the rate of expansion in business activity ticking up to a 22-month high.

Some sub-Saharan African economies such as Nigeria and Uganda also generated strong output growth, but these account for only a negligible proportion of Turkey's manufacturing exports at present.

Comment

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

“The Turkey Manufacturing Export Climate Index continues to track around its lowest for six-and-a-half years as economic conditions in key export markets remain subdued. This is particularly true of the manufacturing sector, which in many countries is underperforming the wider economy. The index stabilised in October, however, following seven successive falls, suggesting that improvements in demand conditions could be felt as the year draws to a close.”

For further information, please contact:

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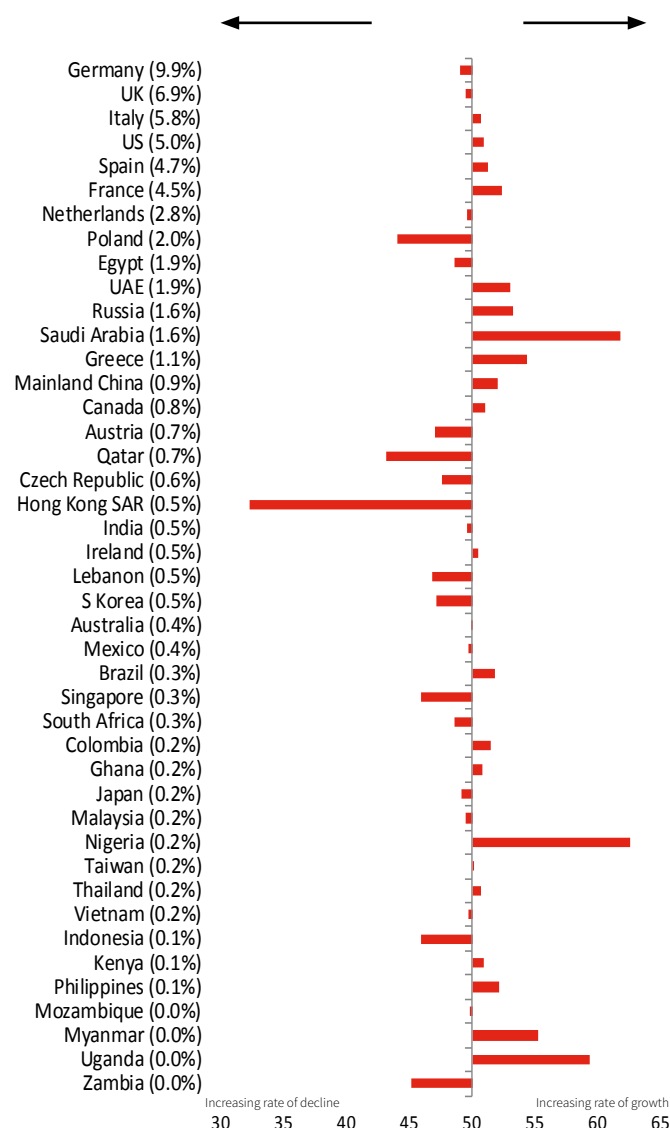
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Country rankings

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 (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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