

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index at 50.1 in November



KEY FINDINGS

Fractional improvement in export climate

Output down in Germany, the UK and Italy

Growth picks up in the US and China

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Nov-19	50.1

The export climate for Turkish manufacturers improved fractionally during November. Weakness in some key export markets was cancelled out by signs of growth picking up in the US and other major economies.

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 was at 50.1 in November, down from 50.3 in October and signalling a fractional improvement in demand conditions for exporters in the Turkish manufacturing sector.

The climate for exporters was negatively impacted by signs of weakness in each of the three largest markets for Turkish manufacturers - Germany, the UK and

Italy. Combined, these economies account for around 23% of Turkey's manufacturing exports.

Business activity in Germany decreased for the third successive month in November, although the rate of decline softened to the weakest in the current sequence of contraction.

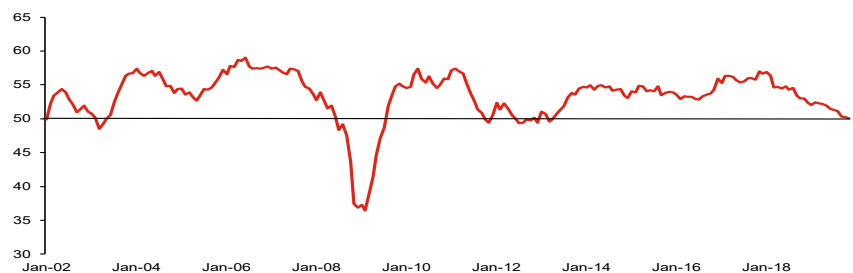
Output in the UK decreased for the fourth month running, with demand conditions continuing to be restricted by uncertainty around Brexit and the future trading relationship with the EU.

Meanwhile, Italy posted a reduction in activity for the first time since May.

Outside of these top three destinations there were some signs of improvement midway through the final quarter of the year. Output growth in the US quickened to a four-month high, while Spain also saw momentum pick up. Activity rose in France for the eighth month running, albeit at a slightly reduced pace. This was also the case in Russia, where output increased solidly again in November.

Manufacturing PMI Export Climate Index

sa, %50=improvement since previous month





There were signs of demand softening in the Middle East during November. Both Saudi Arabia and the UAE continued to see activity expand, albeit at slower rates than in October. Egypt recorded the sharpest fall in output for over two years. Meanwhile, protests in Lebanon resulted in a substantial reduction in activity.

Protests continued to impact negatively on conditions in Hong Kong SAR. Elsewhere in Asia, however, growth improved. Activity in mainland China increased at a solid pace that was the fastest since February 2018. Meanwhile, the Indian economy posted a return to expansion for the first time in three months.

Of the PMI surveys conducted worldwide, the strongest increases in activity in November were seen in Nigeria and Uganda. That said, only 1% of Turkish manufacturing exports currently go to the sub-Saharan African countries covered by the PMI, and so firms in Turkey will not see a large benefit from the strength in conditions there.

Comment

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

“Weakness in some of Turkish manufacturers’ key export destinations hampered growth in November. In fact, each of the three largest export markets - Germany, the UK and Italy - saw business activity decrease during the month. Soft demand in these markets adds a further hurdle to firms. On a more positive note, some of the world’s largest economies saw growth improve, most notably the US and China. This could help breathe life into the global economy and improve demand conditions elsewhere.”

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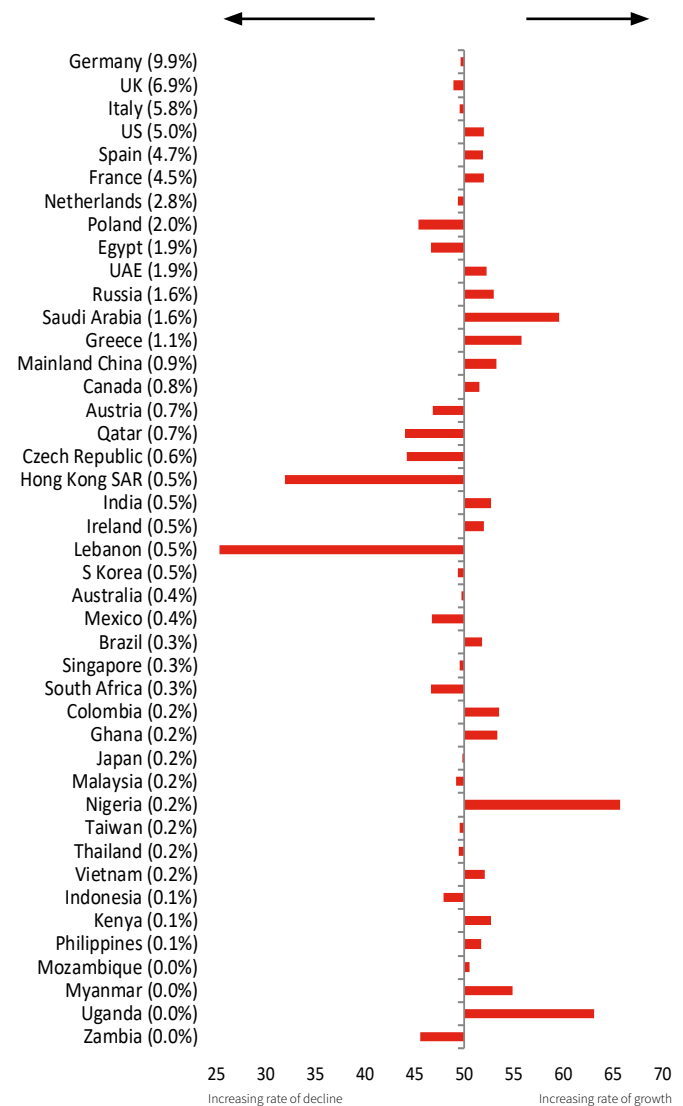
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Country rankings

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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