

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index rises to 50.3 at end of 2019



KEY FINDINGS

Export climate improves marginally

Activity in Germany returns to growth in December

The UK and Italy see further reductions in output

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

| | |
|--------|------|
| 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 |
| Dec-19 | 50.3 |

Export conditions for Turkish manufacturers improved at the end of 2019, and to a greater extent than in November. Exporters were aided by a return to growth of business activity in Germany, but other key markets showed continued signs of demand weakness.

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 ticked up to 50.3 in December from 50.1 in November. This signalled a stronger improvement in the climate for manufacturing exporters at the end of the year.

One of the factors leading to an improved picture in December was a return to growth of business activity in Germany

- the single largest market for Turkish manufacturing exports. Although output rose only marginally, the expansion ended a three-month sequence of contraction.

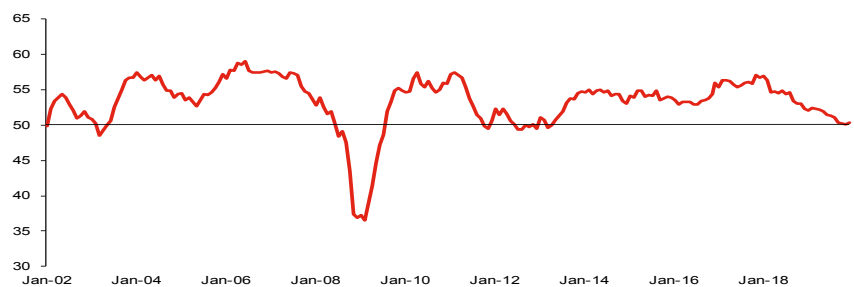
Other key markets continued to see demand conditions weaken, however. Business activity decreased in the UK for the fifth successive month, with the rate of decline unchanged from that seen in November. Meanwhile, Italy posted a reduction in output for the second month running. Although the fall was only marginal, it was the sharpest since January 2019.

Other important European markets to see output fall were the Netherlands and Poland. On a more positive note, both Spain and France saw business activity increase, with the former seeing the rate of expansion quicken from the previous month.

There were also signs of growth picking up in the world's largest economy - the US. The rate of expansion in business

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





activity accelerated for the second month running, with the solid increase the most marked since last April.

There were mixed signals from economies in the Middle East during December. Both Saudi Arabia and the UAE continued to record growth of activity during the month, albeit at reduced rates. In fact, the expansion in output in the UAE was the slowest since September 2011. Elsewhere, reductions in activity were seen in Egypt, Lebanon and Qatar. In each case, however, the slowdowns were weaker than recorded in November.

The BRIC nations posted a generally positive picture, with all four seeing activity increase. India registered the sharpest expansion as growth picked up to a five-month high. Together, these economies account for around 3% of Turkish manufacturing exports.

As has been the case in recent months, the sharpest increases in output were seen in sub-Saharan African countries such as Nigeria and Uganda.

Comment

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

“There were some signs of positivity for Turkish manufacturing exporters at the end of the year, particularly as their number one market returned to growth. Outside of Germany, however, there remained signs of demand weakness, most notably in some other European economies. Firms will be hoping that 2020 sees an end to the soft patch in Europe, providing greater opportunities for international sales.”

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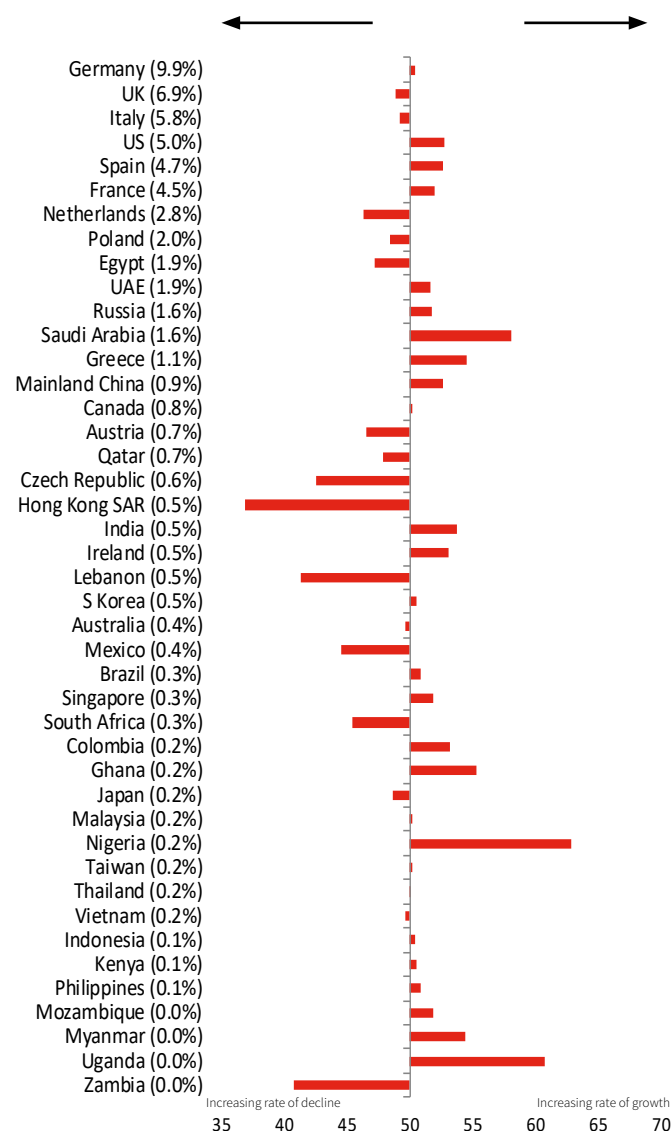
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Country rankings

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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