

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Strongest improvement in export climate for five months

KEY FINDINGS

Export Climate Index at 51.1 in January

Improving trends seen across key export markets

Output returns to growth in the UK and Italy

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jan-20	51.1

Positive signals were seen for Turkish manufacturing exporters at the start of 2020, with demand conditions improving in a number of key markets. Growth momentum picked up in Europe, while the US saw output increase to the greatest extent since March 2019.

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 rose to 51.1 in January from 50.3 in December. The latest reading pointed to a modest improvement in the demand climate for Turkish manufacturing exporters, with export conditions strengthening to the greatest extent since August last year.

The pick-up in the index at the start of 2020 reflected improving trends in a

number of key export markets.

Germany is the largest single market for Turkish manufacturing exporters, and growth was recorded for the second month running in January. The rate of expansion in business activity was modest, but picked up from that seen at the end of 2019.

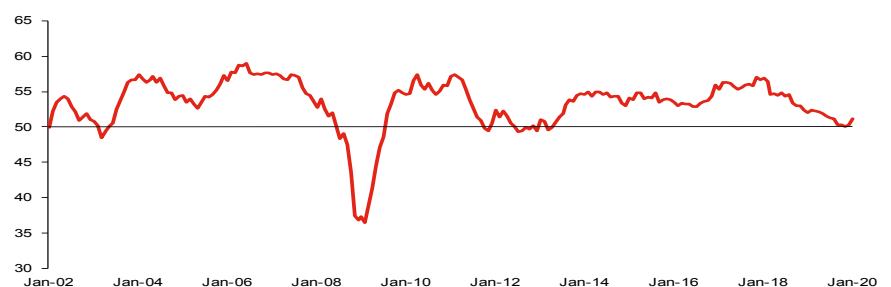
Meanwhile, both the UK and Italy posted returns to output expansion in January, ending five- and two-month sequences of decline respectively.

Staying in Europe, both Spain and France saw modest rises in output, albeit to lesser extents than in the previous month. The Netherlands was the largest export market to see a drop in output in January, registering a marginal reduction in manufacturing production.

The world's largest economy saw demand conditions continue to strengthen. The rate of expansion in business activity across the US quickened for the third month running to the sharpest since March 2019.

Manufacturing PMI Export Climate Index

sa, '50= improvement since previous month



There were mixed fortunes for countries in the Middle East at the start of the year. Saudi Arabia continued to lead the way, posting a further sharp increase in activity. By contrast, output stagnated in the UAE, while Egypt, Lebanon and Qatar all posted reductions in activity.

One of the brightest performers in January was India where demand conditions improved markedly. In fact, output growth was the sharpest for seven years. That said, the Indian market accounts for less than 1% of Turkish manufacturing exports at present.

Other BRIC countries also recorded growth. Rates of expansion quickened in Brazil and Russia, while Chinese output continued to rise modestly.

Finally, newly launched PMI data for Kazakhstan showed business activity there falling in the opening month of the year. Kazakhstan currently accounts for 0.5% of Turkish manufacturing exports.

Comment

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

“Turkish exporters will have been buoyed at the start of the year by signs of improving demand conditions in a number of key markets, adding to hopes that 2020 will be more conducive to growth than 2019 was. One potential headwind is the coronavirus and the impact this could have on global trade flows. Next month’s release should provide more information on how Turkish firms are being affected.”

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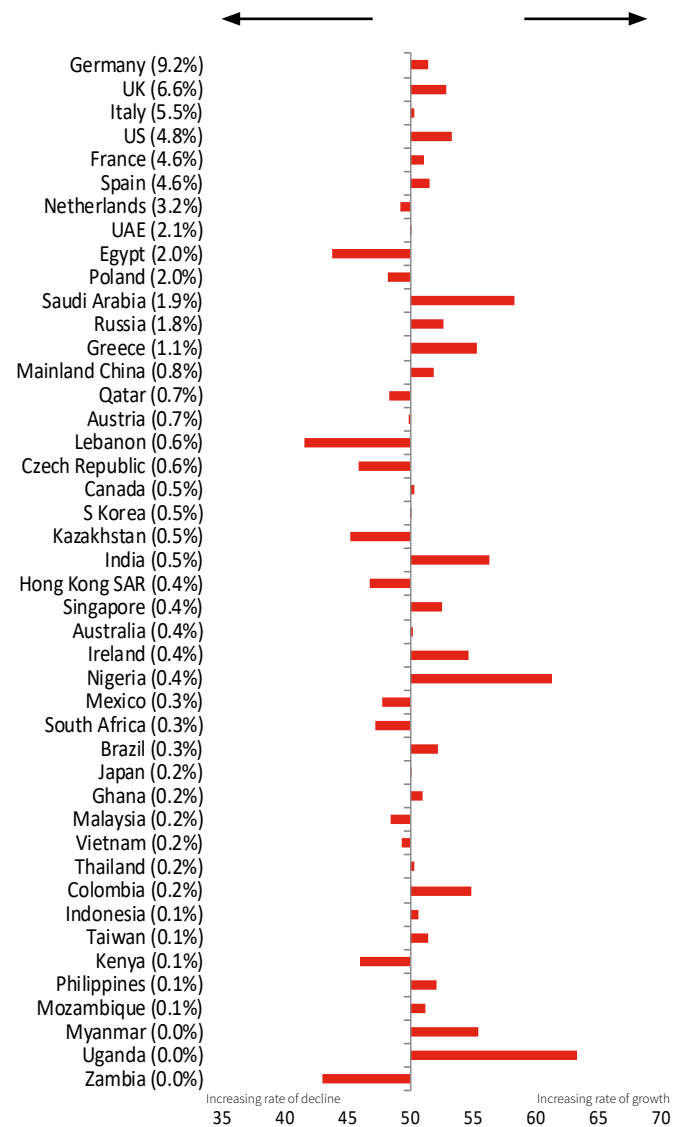
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Country rankings

PMI Output Index (ordered by export weight in full-year 2019)

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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