

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

COVID-19 leads to worldwide economic disruption



## KEY FINDINGS

Export Climate Index drops sharply to 35.7

Almost all markets see declining activity

Sharpest downturn recorded in Italy

## TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Feb-20	50.4
Mar-20	35.7

The coronavirus disease 2019 (COVID-19) pandemic impacted demand across much of the world in March, thereby leading to a sharp deterioration in the climate for Turkish manufacturing exporters.

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 sharply in March as the COVID-19 pandemic caused disruption across much of the global economy. The latest reading of 35.7 was well below that of 50.4 in February and signalled a substantial deterioration in the export climate for Turkish manufacturers. In fact, the decline was even sharper than those seen during the global financial crisis and the most marked since the

series began in January 2002.

Almost all countries covered by IHS Markit PMI surveys saw business activity decrease in March. The only exceptions were Nigeria and India, where surveying was completed before more stringent measures were introduced to prevent the spread of the virus.

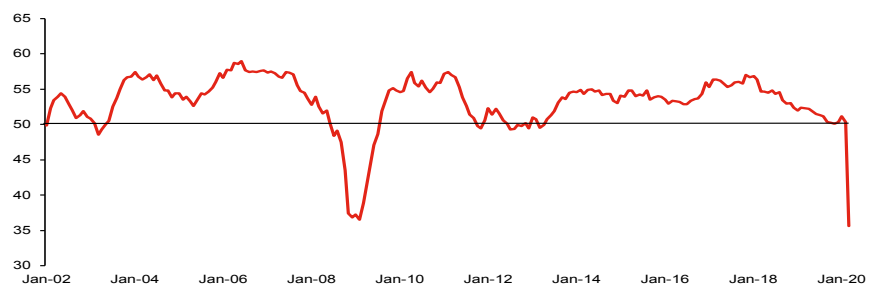
The sharpest fall in output was registered in Italy, where the outbreak of COVID-19 and associated lockdown had a severe impact on the economy. Italy accounts for more than 5% of Turkish manufacturing exports and is thus one of the key markets for exporters.

Demand in other European markets also suffered at the end of the first quarter as the epicentre of the pandemic moved to there from its origins in Asia. Steep contractions in business activity were seen in Germany, the UK, France and Spain.

A number of Asian markets also continued to struggle. While the Chinese economy showed signs of stabilisation

## Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





following a sharp contraction in February, other economies remained in marked decline, most notably Singapore and Hong Kong.

The COVID-19 outbreak in the US started to gather pace in March, leading to the sharpest deterioration in demand conditions since February 2009.

Turning to the Middle East - the UAE, Egypt and Qatar saw further slowdowns in activity, while Saudi Arabia dropped into negative territory for the first time since the survey began in August 2009. Lebanon saw one of the steepest reductions in output of all the countries covered.

Finally, the rates at which output softened in sub-Saharan Africa and Latin America were generally more modest than elsewhere, reflecting the later instances of outbreaks there compared to other parts of the world.

### Comment

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

“The Turkey Manufacturing Export Climate Index highlights the impact the COVID-19 pandemic had on the global economy in March and therefore the challenges faced by exporters in attempting to secure new orders in an environment where almost all markets are in decline. In fact, the drop off in the export climate was worse even than at any stage during the global financial crisis, and with little sign of any light at the end of the tunnel the prospects for the next few months appear bleak.”

### For further information, please contact:

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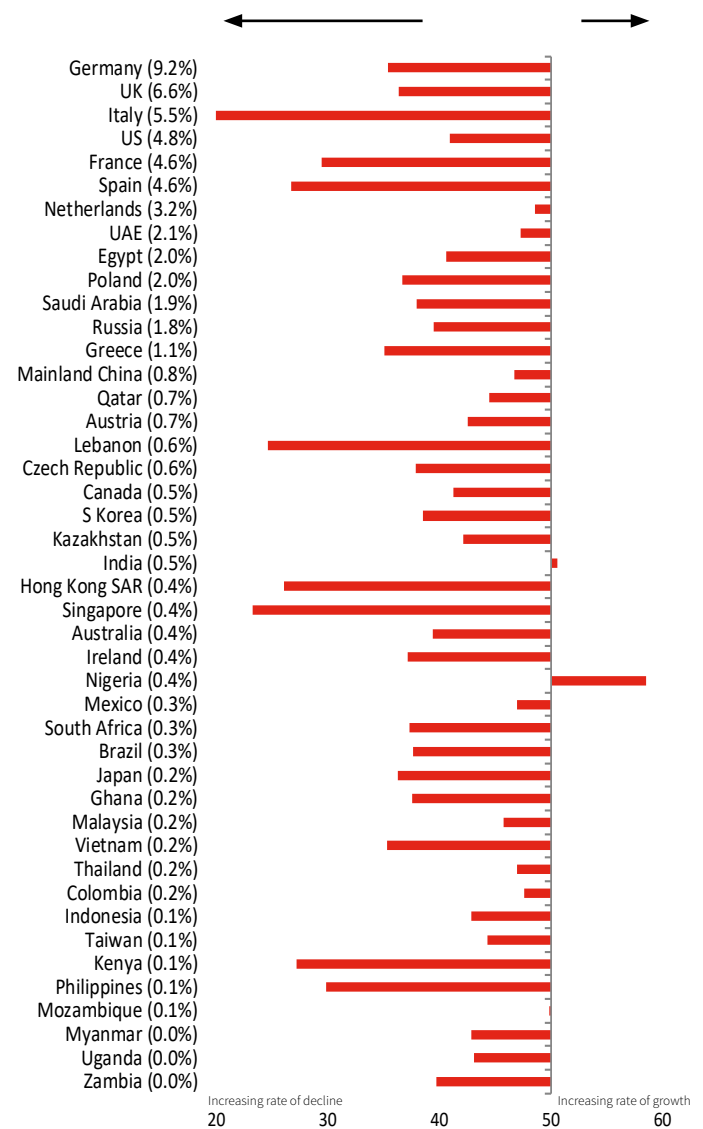
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### Country rankings

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

sa, >50= growth since previous month



Sources: ICI, IHS Markit

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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

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