

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Output down across all markets in April



KEY FINDINGS

Export Climate Index down to 19.1

All 44 markets covered see output decrease

Severe declines in activity in key European economies

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Apr-20	19.1

The demand climate for Turkish manufacturing exporters worsened further in April as the global coronavirus disease 2019 (COVID-19) pandemic impacted activity across the world. In fact, activity decreased in all countries for which PMI data were available during the month.

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 hit a record low for the second successive month in April. Furthermore, the index fell to 19.1 from 35.7 in March, signalling a much greater deterioration in the climate than had been seen in the previous month.

All 44 countries that are included in the

index calculation saw business activity decrease in April, highlighting the global impact of the pandemic.

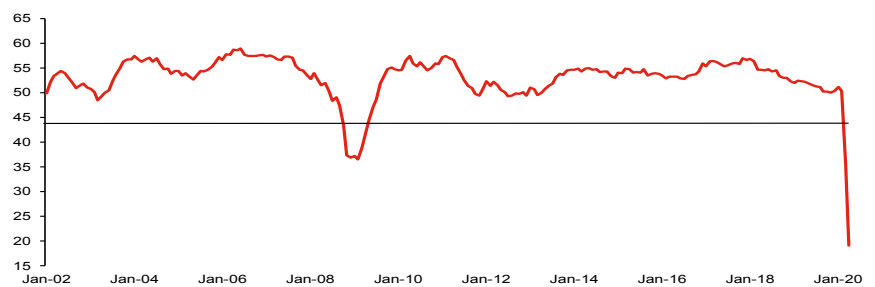
Some of the steepest declines in output were recorded in Europe, where a number of countries suffered large outbreaks of COVID-19 and widespread lockdowns were introduced to try and prevent it spreading further. Severe falls in activity were seen in Germany, the UK, Italy, France and Spain, with rates of contraction unprecedented since the respective surveys began during the 1990s. Taken together, these five markets account for around 30% of Turkish manufacturing exports.

Output in the US also decreased at a record pace during April, with the rate of contraction even outpacing that seen at the height of the global financial crisis.

Some of the most severe declines in activity were seen in emerging market countries where strict lockdowns had been introduced to prevent COVID-19 taking hold. One example of this

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





was India, where activity plunged in April after having risen marginally in March. In a similar vein, Uganda posted the sharpest reduction of all countries monitored.

Some of the softest downturns in activity were registered in the Middle East, with relatively modest contractions noted in Saudi Arabia, the UAE and Qatar. That said, all did still see record declines in output at the start of the second quarter.

The weakest reduction in output in April was in mainland China. Although activity decreased for the third month running, the rate of contraction was the softest in this sequence amid some easing of lockdown measures. China only accounts for around 1% of Turkish manufacturing exports, however.

Comment

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

“The severe impact on the global economy of the COVID-19 pandemic and lockdowns imposed to prevent its spread was laid bare by the Turkey Manufacturing Export Climate Index in April, with all 44 constituent countries seeing business activity decline during the month. Many markets saw unprecedented contractions in output. The hope for Turkish manufacturers is that April represented the nadir of the crisis and that conditions will gradually start to improve over coming months.”

For further information, please contact:

Istanbul Chamber of Industry

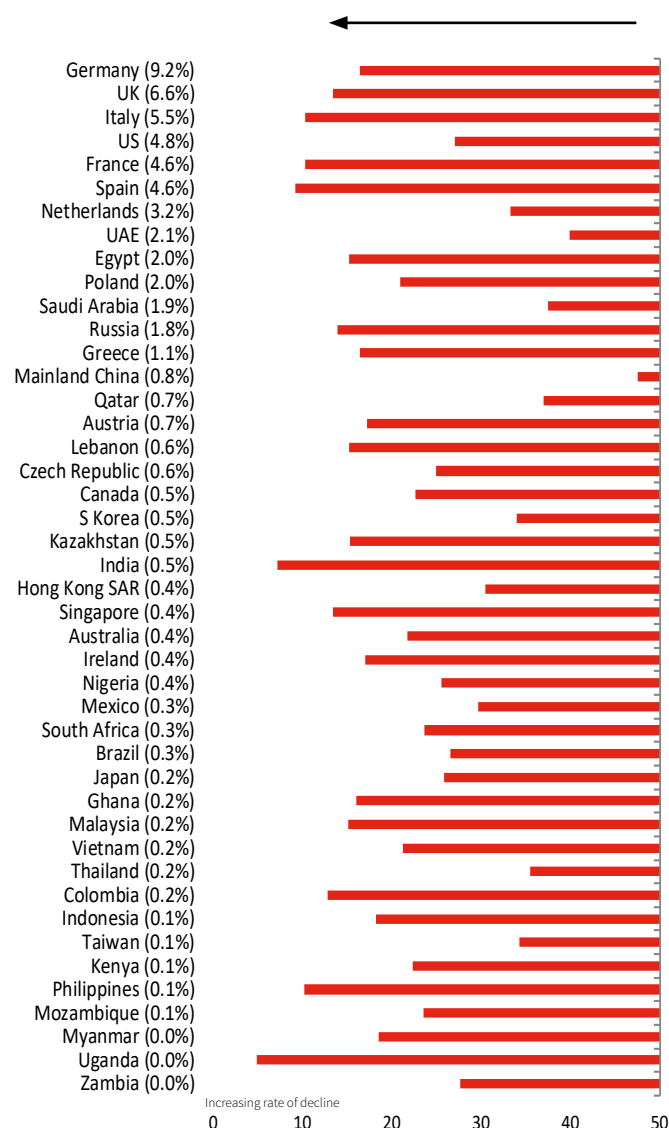
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Country rankings

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

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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