

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Conditions for exporters near stabilisation in June



KEY FINDINGS

Export Climate Index rises to 47.5

Widespread slowdowns in rates of moderation

France and UAE among those to record output growth

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
May-20	34.1
Jun-20	47.5

Demand in export markets for Turkish manufacturers neared stabilisation during June as many countries loosened restrictions imposed to prevent the spread of the coronavirus disease 2019 (COVID-19). Some economies saw output return to growth, while others saw marked slowdowns in rates of moderation compared to April and May.

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 47.5 in June, up sharply from 34.1 in May to signal that demand conditions for Turkish exporters neared stabilisation at the end of the second quarter. The reading was the highest in four months.

The return to near-stabilisation in

the export climate reflected nascent recoveries in a number of markets around the world amid the easing of COVID-19 lockdowns.

Outright increases in output were seen in some countries, led by Mainland China which is further along the curve of the disease than elsewhere.

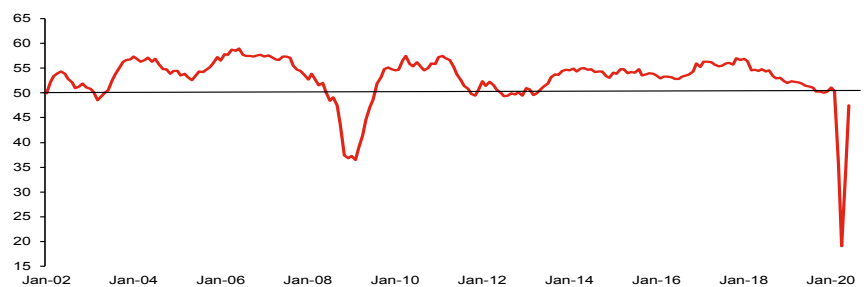
Of the main export markets for Turkish manufacturers, France and the UAE recorded increases in business activity during June, the first rises in four and six months respectively.

Overall, those PMI surveys signalling rises in activity account for around 9% of Turkish manufacturing exports.

Elsewhere, rates of moderation eased, in some cases sharply. In Europe, much softer reductions in output were recorded in Germany, the UK, Italy and Spain as lockdown rules continued to be relaxed and economic conditions returned closer to normality. These economies together represent approximately 26% of exports from Turkish manufacturers.

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





The US also posted a much slower reduction in activity for the second month running, with the moderation the weakest since February.

While recoveries appeared to be underway in a number of economies, other countries were still badly affected by the pandemic and continued to see steep reductions in activity during June. Indonesia, Mexico and Mozambique registered the sharpest downturns in output over the month. However, these economies account for only a small proportion of total demand for Turkish manufacturing exports.

Comment

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

“With the sharpest part of the COVID-19 downturn clearly having passed, firms can start thinking about growth returning. There was good news on this front for Turkish manufacturing exporters in June as key export markets either returned to outright expansion or moved much closer to stabilisation. Barring any major re-escalation of the pandemic, therefore, the second half of the year should see export demand be well on the way to recovery.”

For further information, please contact:

Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance Department Mng.

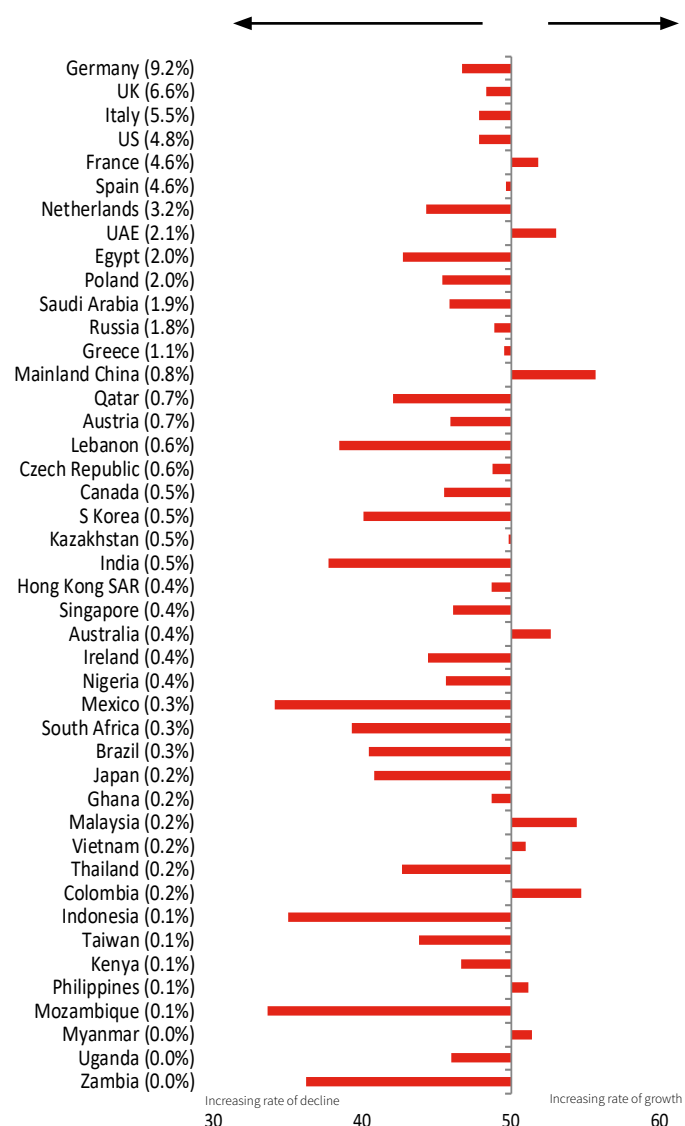
Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

Country rankings

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

sa, >50= growth since previous month



Sources: ICI, IHS Markit

IHS Markit

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: andrew.harker@ihsmarkit.com



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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