

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index at 51.5 in June



KEY FINDINGS

The index still in positive territory despite muted global demand conditions

Growth in Europe little-changed from May

Expansion in US remains muted

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

Jul-18	54.3
Aug-18	54.6
Sep-18	53.4
Oct-18	53.0
Nov-18	53.0
Dec-18	52.3
Jan-19	52.0
Feb-19	52.4
Mar-19	52.3
Apr-19	52.2
May-19	51.9
Jun-19	51.5

Global demand conditions remained subdued midway through 2019, with key export markets in Europe and the US seeing relatively weak growth of business activity during June, thereby creating challenges 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 dipped to 51.5 in June, down from 51.9 in May. Although still signalling a modest improvement in export conditions for Turkish manufacturers, the latest reading was the lowest for six years.

Relatively subdued growth was recorded again in a number of key Turkish export markets. In the eurozone, Germany saw

business activity increase at the same pace as in May. This was also the case in Spain, while Italian companies saw broadly no change in activity for the second month running. More positive was the picture in France, which accounts for around 5% of Turkish manufacturing exports. Output growth in France picked up to a seven-month high.

Both the Netherlands and Greece saw rates of expansion soften from those recorded in May.

Meanwhile, the UK slipped into contraction in June, posting the first decline in business activity since July 2016.

Demand conditions were also challenging in North America at the end of the second quarter. Although the US saw a slightly faster rise in activity than May's three-year low, the rate of growth was still only modest. Meanwhile, Canada posted a decline in manufacturing production that was the strongest in three-and-a-half years.

As was the case throughout the first half

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month



of 2019, the Middle East saw steep improvements in demand in June. Substantial increases in activity were seen in the UAE and Saudi Arabia. Egypt and Qatar, however, remained in contraction territory.

Some African economies such as Nigeria and Uganda also posted marked rises in activity, although as these account for only a small proportion of Turkish manufacturing exports their impact on the index is minimal.

Asian economies saw only marginal growth in June. China – the world’s second-largest economy – posted the weakest rise in output in eight months amid issues caused by the trade tensions with the US. Japan and India also posted only modest improvements in demand conditions.

Comment

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

“The return to growth of Turkish manufacturing exports in June, as suggested by PMI data, was recorded despite a backdrop of generally muted global demand conditions. Rates of expansion in key export markets remain some way short of those seen during 2018. Competitive pricing is therefore likely to be supporting the efforts of manufacturers to secure sales at present.”

For further information, please contact:

Istanbul Chamber of Industry

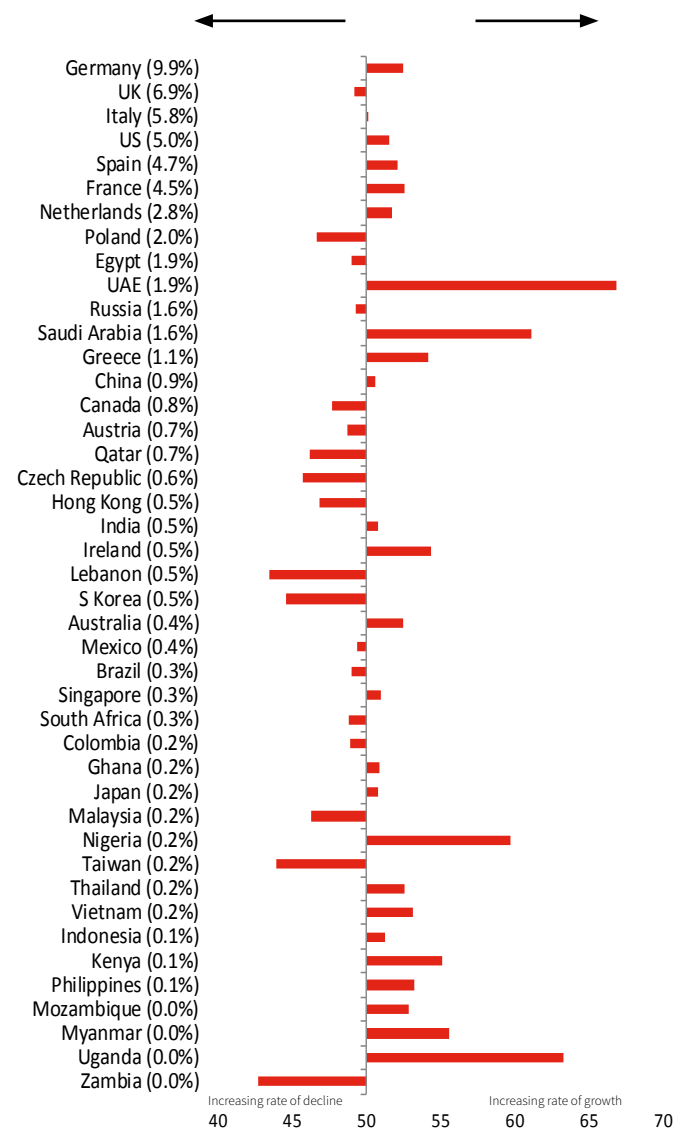
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Country rankings

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