

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index at 51.3 in July



KEY FINDINGS

Softer improvement in the export climate

Modest growth recorded in Europe

Middle East sees continued strong performance

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jul-19	51.3

While demand conditions for exporters in the Turkish manufacturing sector continued to improve in July, the recent slowdown in global economic growth meant that the latest strengthening of the export climate was relatively modest. Muted growth continued in Europe and North America, but the Middle East remained a source of improvement.

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 posted 51.3 in July, still above the 50.0 no-change mark but down from 51.5 in June. The reading pointed to a modest improvement in the export climate, but softer than in previous months. The rate of improvement has now eased in five successive months amid slowing

economic growth globally.

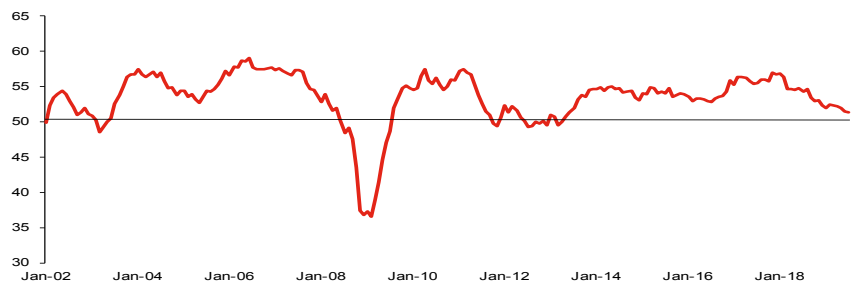
Rates of expansion remained relatively subdued in Europe, where seven of Turkish manufacturers' top ten export destinations are found. Growth in Germany softened to the weakest since June 2013, with the manufacturing sector seeing a sharp decline in production.

Elsewhere, growth also softened in France, Spain and the Netherlands. Both the UK and Italy recorded slight improvements in demand conditions at the start of the third quarter, but growth of activity remained muted nonetheless.

The rate of expansion in business activity across the US private sector improved to a three-month high in July. Manufacturing weakness was also seen in the world's largest economy, however, as production rose at the slowest pace since June 2016. Staying in North America, the Canadian manufacturing sector saw output drop for the fourth month running.

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



The Middle East remained an area of relative positivity in terms of demand conditions. Strong increases in activity were seen in both the UAE and Saudi Arabia, while Egypt posted a rise for the first time in three months. Lebanon and Qatar continued to experience challenging demand conditions, however. The Middle Eastern economies for which PMI data are available account for around 7% of Turkish manufacturing exports.

Modest growth was seen across the BRIC economies in July. The rate of expansion in China ticked up from June's three-year low, while Brazil and Russia saw output increase slightly following falls in the previous month. India posted a solid rise in activity, and one that was the sharpest since November 2018.

Comment

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

“A global economic slowdown, particularly marked in the manufacturing sector, provides a hurdle for Turkish exporters to climb when trying to secure new work from abroad. There are some pockets of strong demand, however, notably the Middle East. Moreover, while parts of Europe and North America have seen a slowdown in recent months, modest demand improvements continue to be eked out rather than those economies moving into contraction. Currency weakness therefore should enable Turkish manufacturers to find willing customers for their goods abroad.”

For further information, please contact:

Istanbul Chamber of Industry

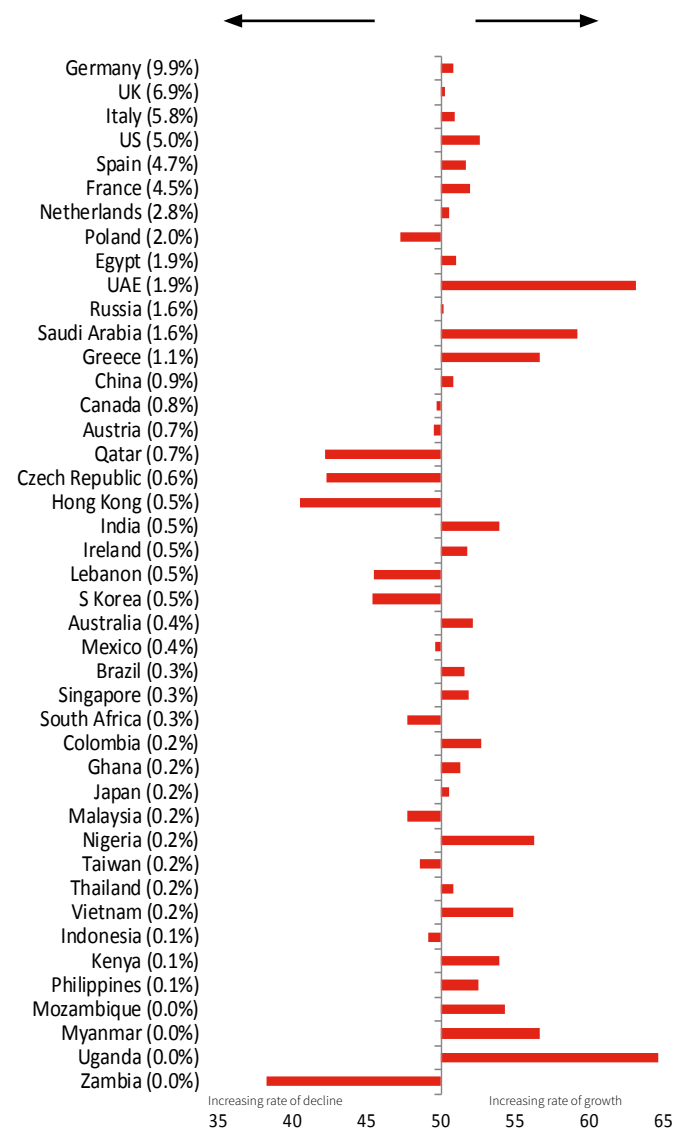
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Country rankings

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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