ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Demand conditions in export markets broadly unchanged

KEY FINDINGS

Export Climate Index at 49.9 at start of 2021

Sharp and accelerated rise in US output

Weakness seen across much of Europe

TURKEY
MANUFACTURING ECI

JAN
49.9
DEC: 50.5

LAST TWELVE MONTHS

Feb-20	50.4
Mar-20	35.7
Apr-20	19.1
May-20	34.1
Jun-20	47.5
Jul-20	53.0
Aug-20	52.4
Sep-20	51.9
Oct-20	51.2
Nov-20	48.9
Dec-20	50.5
Jan-21	49.9

Export conditions for Turkish manufacturers were broadly unchanged in January as improving trends in markets such as the US and the Netherlands were cancelled out by weakness in a number of European markets.

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 broadly in line with the 50.0 no-change mark in January. At 49.9, the latest reading signalled little change in export demand conditions at the start of the year. This followed a figure of 50.5 in the previous month.

There were differing trends across Turkish manufacturers' largest export markets in January. The US, which accounts for around 6% of Turkish manufacturing exports, posted a sharp and accelerated increase in business activity. In fact, the rate of expansion was the strongest in almost six years.

Demand conditions were generally less positive in Europe, where strict restrictions in place to prevent the spread of the coronavirus disease 2019 (COVID-19) pandemic hampered activity.

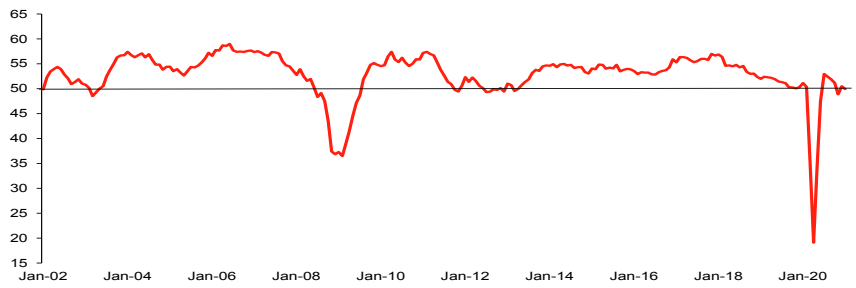
The UK posted a substantial drop in output in January, with the rate of contraction the fastest since May last year.

Germany managed to eke out growth at the start of the year, but the pace of increase in activity was the slowest in the current seven-month sequence of expansion. Elsewhere, falls in output were seen in France, Italy and Spain. One bright spot in Europe was the Netherlands, where manufacturing production increased to the greatest extent since September 2018.

Saudi Arabia accounts for around 2%

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



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PMI® By IHS Markit

of Turkish manufacturing exports, and in January posted the strongest rise in activity of all countries covered by PMI data. The expansion in non-oil business activity was the fastest for 15 months.

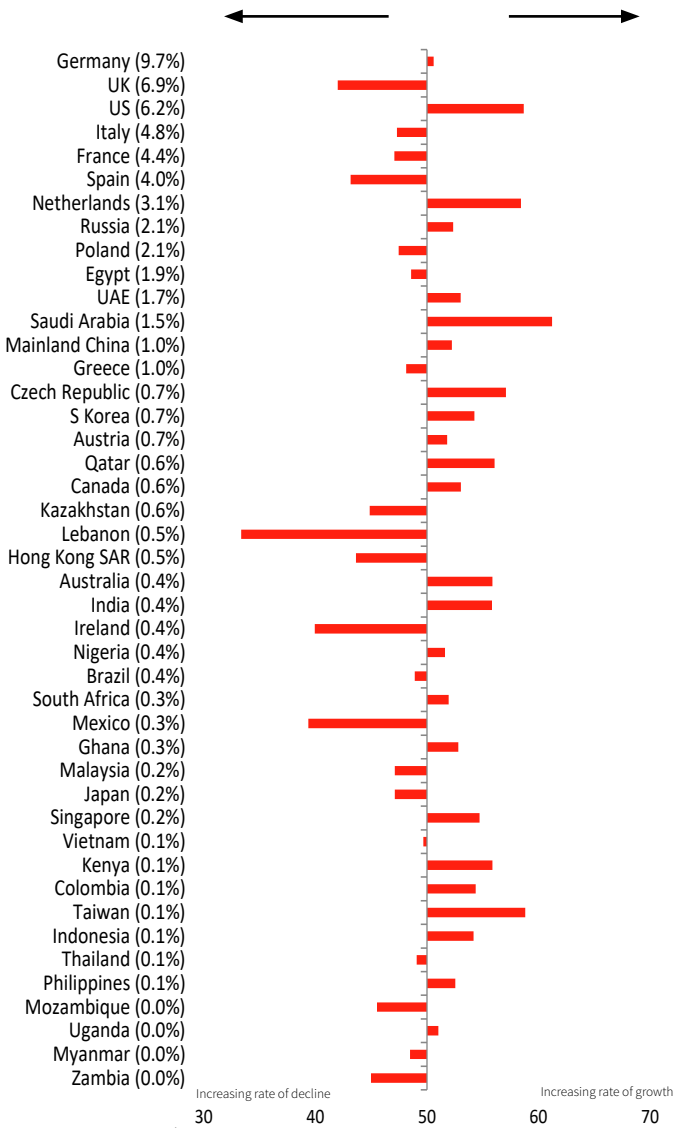
Staying in the Middle East, the UAE and Qatar also posted rises in output in January, but Egypt and Lebanon remained in contraction territory.

Russia saw business activity return to growth for the first time in four months. Among the BRIC nations, mainland China and India also posted expansions in activity, but Brazil recorded a first decline since July 2020. These four economies account for around 4% of Turkish manufacturing exports.

Country rankings

PMI Output Index (ordered by export weight in full-year 2020)

sa, ›50= growth since previous month



Sources: ICI, IHS Markit

Comment

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

"Demand conditions around the world continue to be governed by the COVID-19 pandemic and the strength of any restrictions put in place to prevent its spread. Strict measures are in place across much of Europe, thereby limiting the ability of Turkish manufacturers to export there. This was compensated, however, by strong growth in the US during January. As vaccine roll-outs gather pace, we will hopefully see the pandemic play a waning role in demand trends as the year progresses."

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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.

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