

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Strongest improvement in export climate for five months



## KEY FINDINGS

Export Climate Index rises to 51.5

Sharp and accelerated output growth in the US

Europe sees further weakness, particularly in services

## TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

|        |      |
|--------|------|
| 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 |
| Feb-21 | 51.5 |

February saw the strongest improvement in the export climate for Turkish manufacturers in five months, driven by strong growth in the US and across manufacturing sectors around the world. That said, the coronavirus disease 2019 (COVID-19) pandemic continued to affect operations, particularly among service providers.

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 back above the 50.0 no-change mark in February, posting 51.5 from 49.9 in January. The reading signalled a modest improvement in demand conditions in export markets, and one that was the most marked since September last year.

The US was the principal driver of the improving export climate. Output increased at a substantial pace, and one that was even faster than the near six-year high seen in January. The US accounts for around 6% of Turkish manufacturing exports.

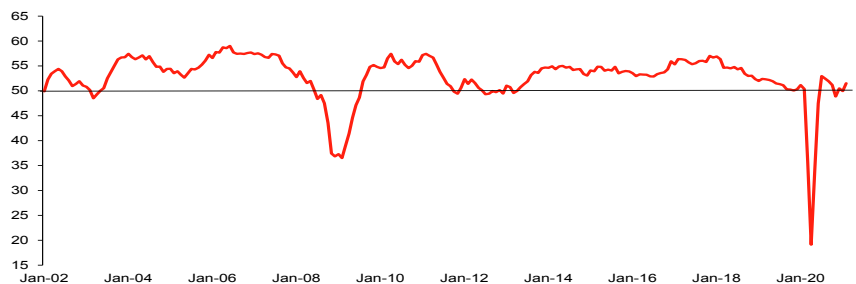
Germany, which is the largest single destination for Turkish manufacturing exports, posted a slight increase in overall activity during February despite strong growth in the manufacturing sector. The rise was the weakest in eight months as the COVID-19 pandemic and associated restrictions continued to impact operations in services.

A number of other eurozone nations saw a positive manufacturing performance, as highlighted by strong output growth in the Netherlands and Austria.

Other key European markets meanwhile saw further weakness in demand amid the COVID-19 pandemic. The UK saw unchanged output volumes, although this followed a substantial decline in the

## Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





previous month. A modest increase in output was seen in Italy, but France and Spain registered decreases.

Russia posted an expansion of output for the second month running midway through the first quarter. There were varied trends across the rest of the BRIC nations. India registered a sharp and accelerated expansion in activity, China posted a slowdown in growth, while Brazil saw output tick down.

There were also differing results in the Middle East in February. Saudi Arabia, the UAE and Qatar all posted continued expansions in output, but ongoing declines were signalled in Egypt and Lebanon.

Parts of Asia recorded strong growth, with Taiwan, Singapore and South Korea among the best performers globally. On the other hand, political instability in Myanmar resulted in a substantial fall in manufacturing output there.

### Comment

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

“The improvement in export demand conditions in February hopefully marks the start of a more positive period for Turkish manufacturing exporters, as COVID-19 vaccine roll-outs around the world start to see a return to normality. There are likely to be further bumps along the road, however, with restrictions and supply-chain disruption continuing to limit growth prospects in the near-term.”

### For further information, please contact:

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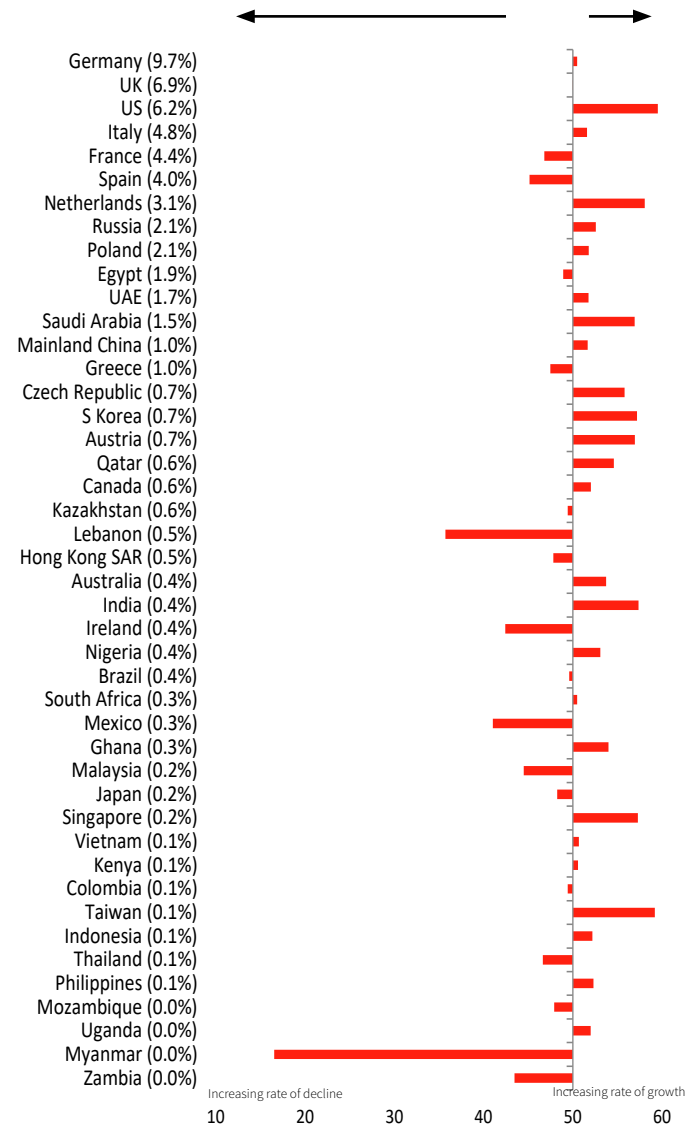
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### Country rankings

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

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

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