

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

## Export climate improves at solid pace in March



### KEY FINDINGS

Export Climate Index at 33-month high of 54.7

Steep expansions in the US and Germany

Output returns to growth in the UK in March

### TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Mar-21	54.7

The end of the first quarter of 2021 saw a solid improvement in demand conditions in Turkish manufacturing export markets. Manufacturing production ramped up in a number of countries, supporting marked expansions in total activity in key destinations such as Germany, the UK and US, which combined account for some 23% of Turkish manufacturing exports.

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 54.7 in March, up markedly from February's reading of 51.5 and signalling a solid improvement in demand conditions in manufacturing export markets. A stronger export climate was recorded for the second month running,

with the rate of improvement the sharpest since June 2018.

As has been the case throughout 2021 so far, the US, which accounts for 6% of Turkish manufacturing exports, posted a sharp expansion of business activity in March. Furthermore, the rate of growth was the steepest since August 2014.

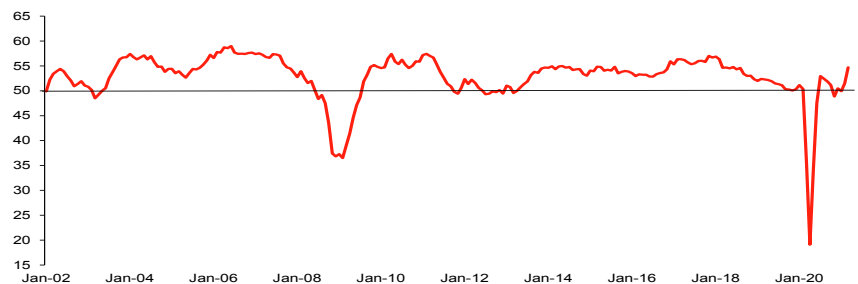
A number of other key markets also posted marked improvements in demand conditions at the end of the first quarter, with growth often centred on the manufacturing sector.

Germany posted the fastest rise in output for just over three years, while the UK returned to growth, registering a sharp rise in activity that was the steepest since August last year.

On the other hand, some other key export markets saw demand remain fragile amid coronavirus disease 2019 (COVID-19) restrictions. Output in France was unchanged, thereby ending a six-month sequence of contraction, while activity in Spain stabilised for the first time in eight

## Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month



months. Growth was recorded for the second month running in Italy, but the rate of expansion remained modest.

Outbreaks of COVID-19 continued to cause challenging demand conditions in a number of markets, including Brazil where activity decreased to the greatest extent since June last year. Other BRIC nations fared better, however, with growth recorded in Russia, India and China.

There were some signs of strengthening demand in the Middle East, with marked increases in activity in Saudi Arabia, the UAE and Qatar. That said, Egypt and Lebanon posted further reductions in output during March.

A number of manufacturing sectors posted sharp growth of production at the end of the first quarter, with steep expansions seen in the Netherlands, Austria and Taiwan.

#### Comment

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

“The end of the first quarter saw manufacturing production ramp up in a range of countries, with particularly strong growth in some of Turkey’s key export markets. These improvements were recorded in spite of severe supply-chain disruption around the world, with widespread difficulties securing raw materials reported. With the export climate improving to the greatest extent in 33 months, the near-term should provide opportunities for Turkish manufacturers to secure sales, with the caveat that the COVID-19 pandemic still has the ability to stifle growth should outbreaks occur in key markets.”

#### For further information, please contact:

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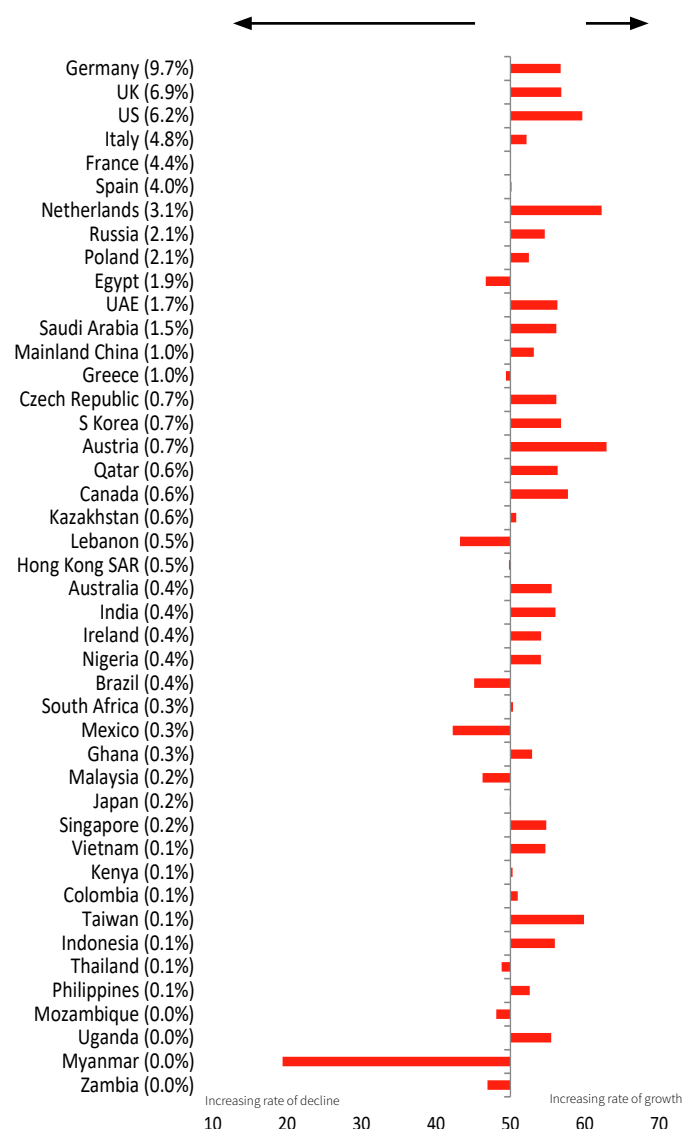
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#### Country rankings

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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