

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Strongest improvement in export demand climate since February 2018



KEY FINDINGS

Export Climate Index at 38-month high of 56.0

US posts marked expansion in output

Parts of Europe also see solid increases in activity

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Apr-21	56.0

Demand conditions in Turkey's export markets improved markedly during April, with a number of key destinations such as Germany, the UK and US seeing marked increases in business activity. Overall, the export climate strengthened to the greatest extent in more than three years.

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 56.0 in April, up from 54.7 in March and above the 50.0 no-change mark for the third month running. The latest reading pointed to a strong improvement in demand conditions in export markets, and one that was the most marked since February 2018.

The strengthening export climate reflected marked improvements in activity across a range of key export markets in April.

The world's largest economy - the US - recorded a sharp and accelerated expansion of business activity in April, with the rate of growth among the most marked globally. The US accounts for around 6% of Turkish manufacturing exports, behind only Germany (10%) and the UK (7%).

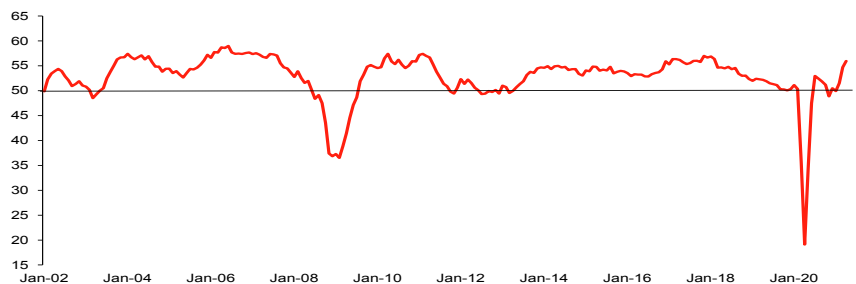
Improving demand conditions were also seen in Europe, primarily driven by strong manufacturing performances.

Germany posted a marked expansion of overall business activity, while the UK saw its recovery gather pace as output increased to the greatest extent since October 2013.

Italy and France posted modest rises in activity, with the latter seeing output expand for the first time in eight months. Growth in Spain reached the fastest in just over two years, while manufacturing

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





production in the Netherlands rose at the sharpest pace on record.

Turning to the Middle East, demand trends were generally positive apart from pockets of weakness in Egypt and Lebanon. Solid improvements in business activity were registered in Saudi Arabia, the UAE and Qatar.

Although most monitored countries posted increases in output during April, the COVID-19 pandemic impacted negatively on some of those economies where case numbers have been rising or have remained high, for example in Brazil and Kenya.

Aside from Brazil, rising activity was seen in the other BRIC nations, but growth in India slowed amid a renewed wave of the virus, raising the possibility of demand weakness there in the months ahead.

Comment

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

“Demand conditions appear to be strengthening across a wide range of markets at present, providing more opportunities for Turkish manufacturers to sell goods abroad. Encouragingly, the top three export destinations for Turkish manufactured products are all growing rapidly. The COVID-19 pandemic remains a concern though, and still has the potential to hit demand and cause logistical issues as new waves of infections come in.”

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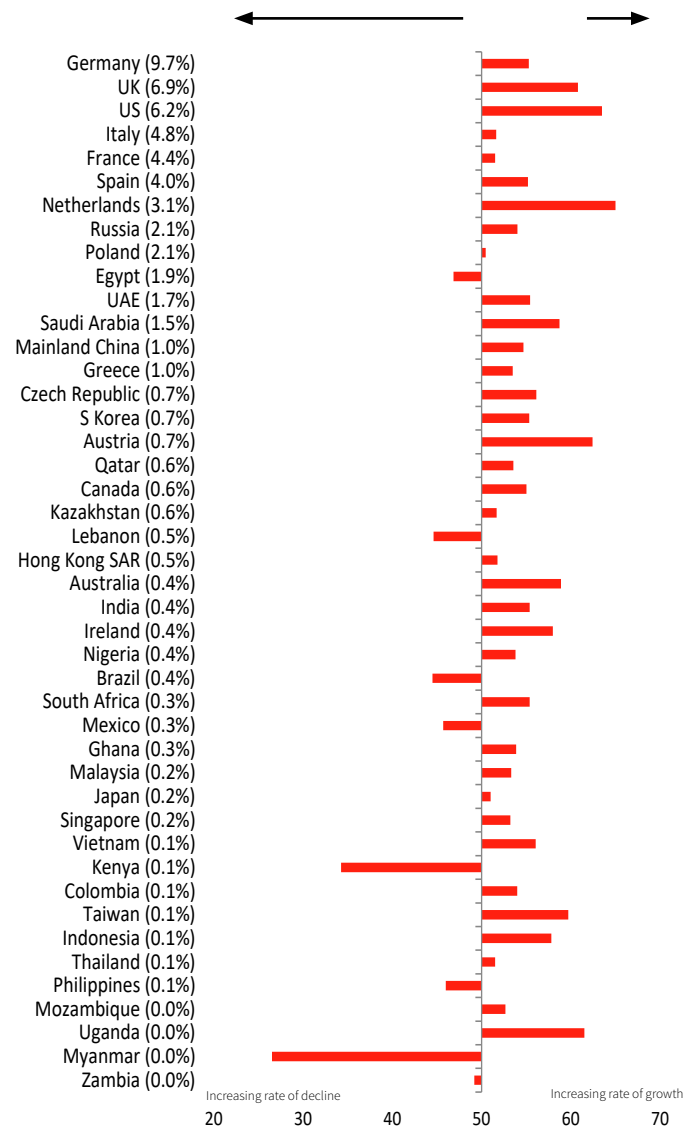
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Country rankings

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

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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