

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Overall export climate improves to greatest extent in 15 years



KEY FINDINGS

Export Climate Index rises to 58.4 in May

Record output expansion in the US

Europe also sees sharp and accelerated increases in activity

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
May-21	58.4

The loosening of COVID-19 restrictions in key export markets and the resulting ramping up of output meant that demand conditions for Turkish manufacturing exporters improved substantially midway through the second quarter of the year. In particular, the UK, US and Netherlands all saw record increases in activity during May.

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 58.4 in May, up from 56.0 in April and signalling a substantial strengthening in demand conditions for Turkish manufacturing exporters. In fact, the rate of improvement was one of the most marked since the series began in January 2002, only just short of the

record posted in June 2006.

Some key export markets registered unprecedented increases in business activity during May as demand ramped up. In the UK, output rose at the fastest pace since at least January 1998, while growth in the US was even stronger. Combined, these two economies account for around 13% of exports of Turkish manufactured goods.

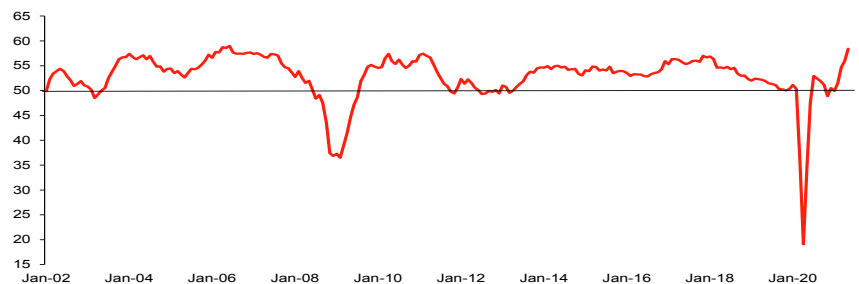
An improving demand picture was also signalled in the eurozone in May. All eight euro area nations for which PMI data are available saw rates of expansion in business activity accelerate from the position in April. Record increases were seen in Ireland, the Netherlands and Austria.

There were also signs of much stronger demand conditions in Russia, Poland and the Czech Republic midway through the second quarter.

There were mixed trends in the PMI data across the Middle East during May. Saudi Arabia posted a sharp and accelerated

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





rise in activity, with growth the fastest in almost three-and-a-half years. On the other hand, rates of expansion in the UAE and Qatar eased to three- and 11-month lows respectively, while reductions in output were signalled in Egypt and Lebanon.

Parts of Latin America continued to struggle due to the impacts of the COVID-19 pandemic. Colombia posted a steep decline in output, while Mexico remained deep in contraction territory. There were some signs of stabilisation in Brazil, but demand conditions there still deteriorated marginally.

The recent severe outbreak of the pandemic in India also resulted in a contraction in activity, ending an eight-month sequence of expansion. Other Asian economies also suffered with renewed outbreaks of COVID-19, often leading either to slower growth rates or outright reductions in activity.

Comment

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

“Different continents are telling different stories in terms of the strength of demand for Turkish manufacturing exports at present. In Europe and North America business activity is ramping up, in a number of cases at unprecedented rates amid a loosening of restrictions and successful vaccination campaigns. These improvements were central to a near-record improvement in the export climate during May. On the other hand, South America and Asia continue to suffer amid renewed COVID-19 outbreaks, meaning that demand there is likely to remain subdued in the near-term at least.”

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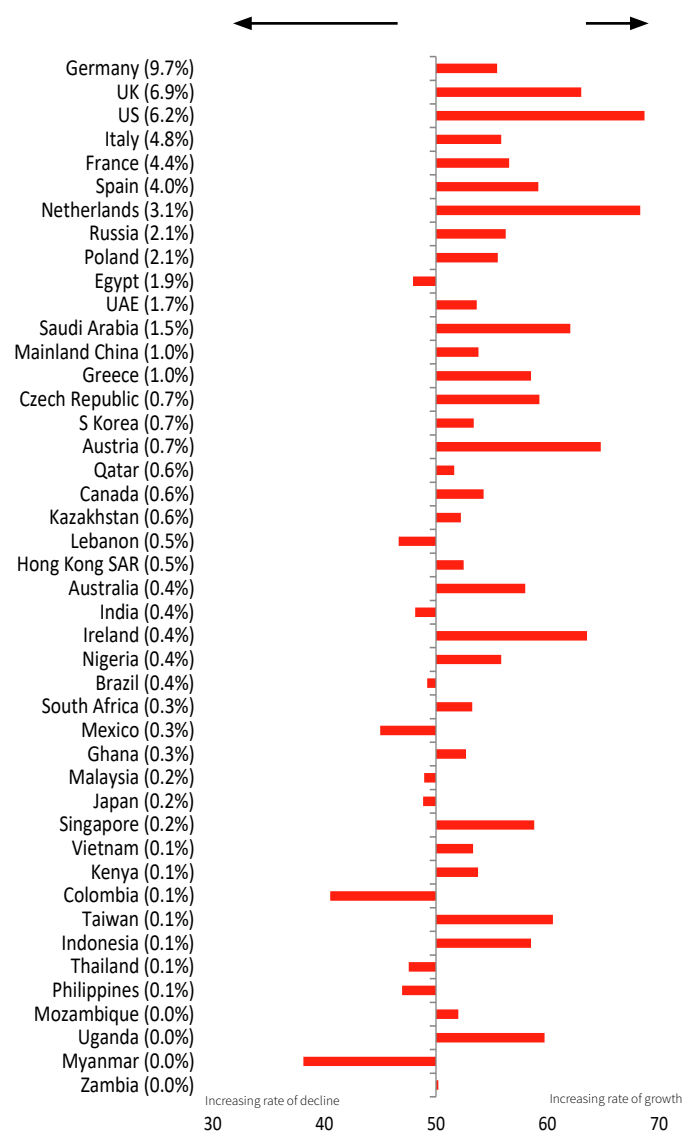
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Country rankings

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

sa, >50= growth since previous month



Sources: ICI, IHS Markit

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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