

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Strong improvement in export climate amid surging demand in Europe and the US

KEY FINDINGS

Export Climate Index posts 58.5 in June

Marked expansions in Europe and in the US

Demand in parts of Asia suffers amid rising COVID-19 infections

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jun-21	58.5

The demand climate for Turkish manufacturing exporters improved sharply again during June as key markets across Europe saw activity rebound following the loosening of COVID-19 restrictions and growth in the US remained strong. On the other hand, some other markets saw output decline amid renewed waves of the pandemic.

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 ticked up to 58.5 in June from 58.4 in May. The reading signalled a further marked improvement in the demand climate for Turkish manufacturing exporters, and one that was the steepest since June 2006.

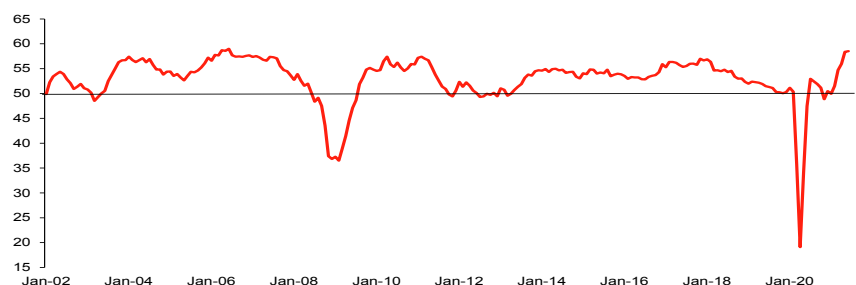
Strong rises in business activity were recorded across Europe at the end of the second quarter. Germany, which is the largest single export market for Turkish manufacturers, posted a sharp expansion in output that was the fastest in just over a decade. Elsewhere in the eurozone, growth hit a 41-month high in Italy, an 11-month high in France and was the strongest since February 2000 in Spain.

The rate of expansion in business activity in the UK remained substantial in June, and was only marginally softer than the series record posted in May. A similar picture was seen in the US, where the pace of increase eased from the previous month's record but remained among the sharpest in the series history.

Demand trends in the Middle East were generally positive in June. Saudi Arabia posted a further sharp rise in non-oil business activity, while the UAE saw sustained solid growth. Egypt posted a first increase in output for seven months, and Qatar registered the strongest

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month



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expansion since August last year. The only monitored area of the region to see a reduction in activity was Lebanon, although even here the pace of decline was relatively muted.

A number of countries saw their output volumes suffer amid rising rates of COVID-19 infections in June, although these were primarily in markets that account for a relatively small proportion of Turkish manufacturing exports.

Uganda posted the steepest reduction, followed by Malaysia. A number of other Asian economies also posted declines in activity amid COVID-19 disruption, including India, Japan and Vietnam. Meanwhile, Mainland China continued to see output increase at the end of the second quarter, but the rate of expansion was only marginal and the weakest in the current 14-month sequence of growth.

Comment

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

“Key export markets for Turkish manufacturers across Europe and in the US saw demand continue to surge during June amid the loosening of COVID-19 restrictions, which should help firms to secure new business in the coming months. The COVID-19 pandemic continued to negatively influence the demand climate in some parts of the world, however, notably in Asia. Although this doesn’t affect Turkish exporters directly to a great extent, it does show that the pandemic still has the ability to throw recoveries off course.”

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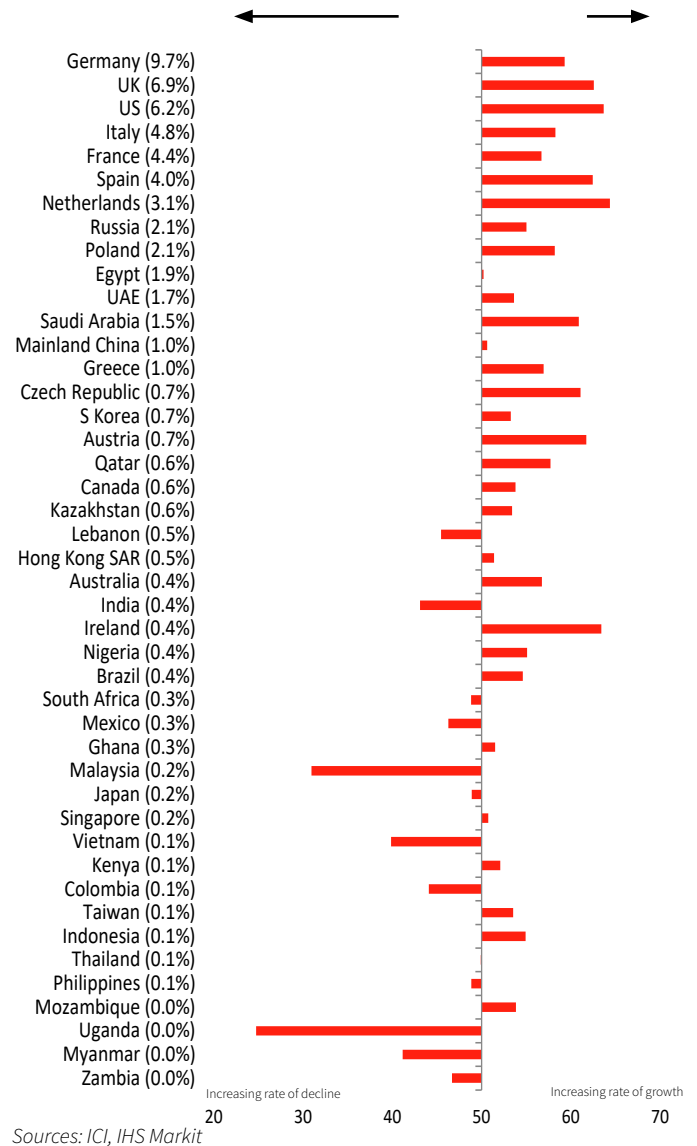
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Country rankings

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

sa, >50= growth since previous month



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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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