

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export demand conditions improve markedly again, driven by strong growth in the eurozone



## KEY FINDINGS

Export Climate Index at 55.9 in August

Eurozone growth remains marked

Signs of slowdown in the US and UK

## TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Jul-21	57.7
Aug-21	55.9

The export climate for Turkish manufacturers continued to improve markedly during August amid further strong output growth in the eurozone in particular. There were signs of slowdown in other key export destinations such as the UK and US, however, while disruption caused by the spread of the delta variant continued to impact activity in parts of Asia.

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 was at 55.9 in August, down from 57.7 in July but still signalling an improvement in the export climate for Turkish manufacturers for the seventh successive month. Although the rate at which demand conditions strengthened was the softest

since March, it remained marked.

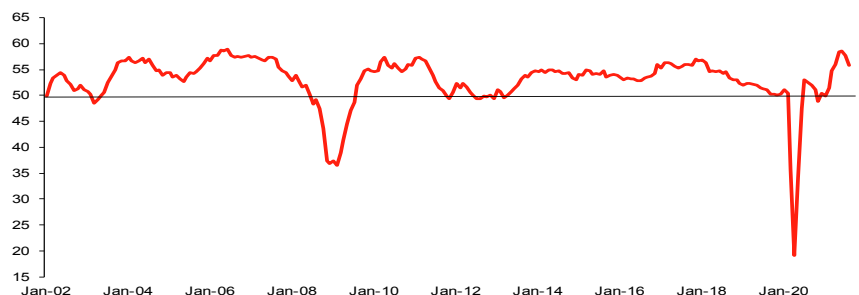
Rates of expansion across eurozone economies generally remained strong in August. Modest slowdowns in growth were seen in Germany, France, Spain and the Netherlands, while Italy posted the fastest expansion in just over 15 years. These five countries account for more than one-quarter of Turkish manufacturing exports.

Other key export destinations showed signs of a more pronounced slowdown midway through the third quarter. The UK posted the slowest expansion of the current six-month sequence of growth. Meanwhile, the US registered the weakest increase in output in the year-to-date amid softening demand and capacity issues.

Much of the Middle East saw business activity expand in August. The UAE posted the fastest rise in just over two years, while in Qatar growth was at a one-year high. Saudi Arabia registered a slower, but still marked increase in

## Manufacturing PMI Export Climate Index

sa, %50=improvement since previous month



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non-oil business activity, while Egypt saw output stabilise. The only decline in activity in the region was seen in Lebanon.

Parts of Asia continued to be affected by the spread of the delta variant of the COVID-19 pandemic in August, leading to sharp falls in output. Malaysia, Vietnam, Indonesia and Myanmar were among the worst impacted, while Mainland China recorded a drop in activity for the first time in 16 months.

Turning to the other BRIC nations, Russia also posted a renewed reduction in activity, the first since the end of 2020. Elsewhere trends were more positive, however, with India registering a first rise in output in four months and Brazil seeing growth for the third month running.

### Comment

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

“The eurozone in particular continues to be a good source of export business for Turkish manufacturers, with growth remaining strong in August. With rates of expansion easing in markets such as the US and UK, however, the signs are that the recent surge in demand is losing a bit of steam. Firms will therefore be hoping that conditions continue to improve at a solid and sustainable pace over the course of the rest of the year.”

For further information, please contact:

### Istanbul Chamber of Industry

Nesrin Akçay, Economic Research and Corporate Finance Department Mng.

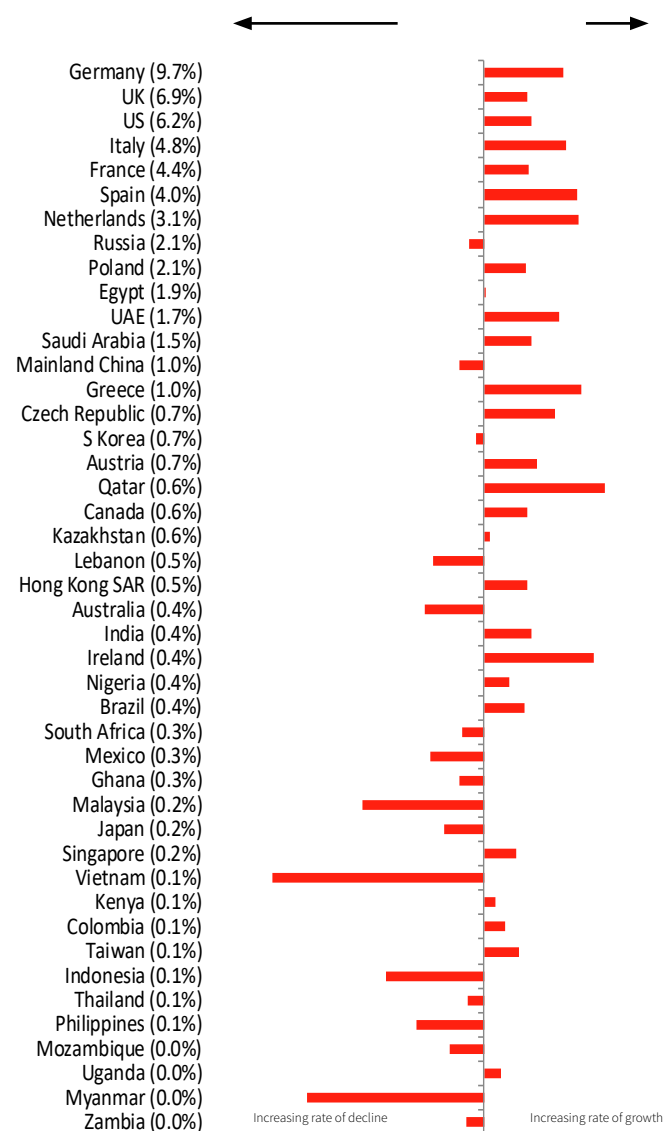
Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

### Country rankings

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

sa, >50= growth since previous month



### IHS Markit

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: andrew.harker@ihsmarkit.com



## 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.

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