

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Further marked improvement in export climate

KEY FINDINGS

Export Climate Index posts 54.7 in September

Marked, but softer growth seen in the eurozone, UK and US

Strong expansions seen in parts of the Middle East

TURKEY

MANUFACTURING ECI



LAST TWELVE MONTHS

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
Sep-21	54.7

Demand conditions in export markets continued to improve markedly at the end of the third quarter, although there were further signs of growth moderating following the strong rebound earlier in the year as COVID-19 restrictions were lifted. Softer expansions were seen in the eurozone, UK and US. Meanwhile, there were pockets of strong growth in the Middle East.

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 54.7 in September, thereby pointing to another marked improvement in demand conditions in export markets. This was despite the index dipping from 55.9 in August as the rate at which the climate strengthened

eased for the third month running.

There were further signs of demand growth softening at the end of the third quarter, following surges in activity in a range of key export markets earlier in the year as COVID-19 restrictions were loosened.

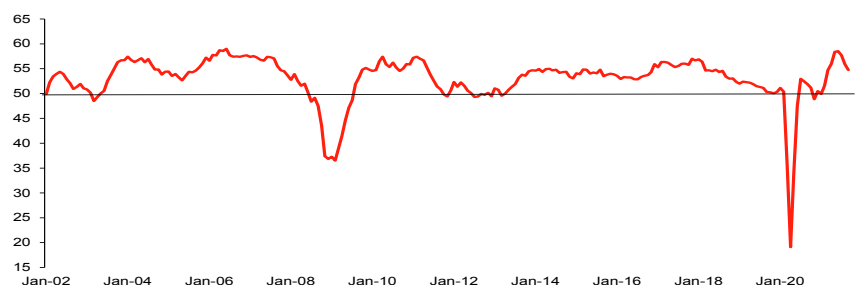
In the eurozone, rates of expansion in business activity softened in Germany, France, Italy, Spain, Ireland, the Netherlands and Greece. Germany, which is the single most important export market for Turkish manufacturing firms, saw output increase at the weakest pace since February, albeit one that was still marked.

Similarly, the UK saw a further slowdown in the pace of growth, the fourth in as many months. The latest rise was the softest in the current seven-month sequence of expansion.

The US, meanwhile, registered the weakest increase in business activity for a year, though continued to see output rise markedly in September.

Manufacturing PMI Export Climate Index

sa, 50= improvement since previous month



Strong improvements in demand conditions were seen through much of the Middle East at the end of the third quarter. Saudi Arabia saw non-oil output increase at the fastest pace in four months, while the UAE completed a full quarter of strong expansions. Furthermore, Qatar posted a rise in output that was the strongest of all the countries covered by the report and the second-fastest since the respective series began in April 2017. On a less positive note, there were signs of deteriorating demand conditions in Egypt and Lebanon.

There was ongoing disruption in a number of Asia-Pacific markets as a result of the spread of the COVID-19 pandemic. The sharpest reduction in output in September was seen in Vietnam, but falls were also recorded in Australia, Japan, Malaysia, Philippines and Myanmar.

Comment

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

“Some easing in the rate of improvement in export conditions was inevitable following the strong growth rebound seen earlier in the year, with the climate now improving at a still marked, but hopefully more sustainable pace. All of the principal export markets for Turkish firms remain in growth territory as the final quarter of the year gets under way. Although parts of the Asia-Pacific region continue to be impacted by the COVID-19 pandemic, there are signs of downturns easing off as infection rates start to moderate.”

For further information, please contact:

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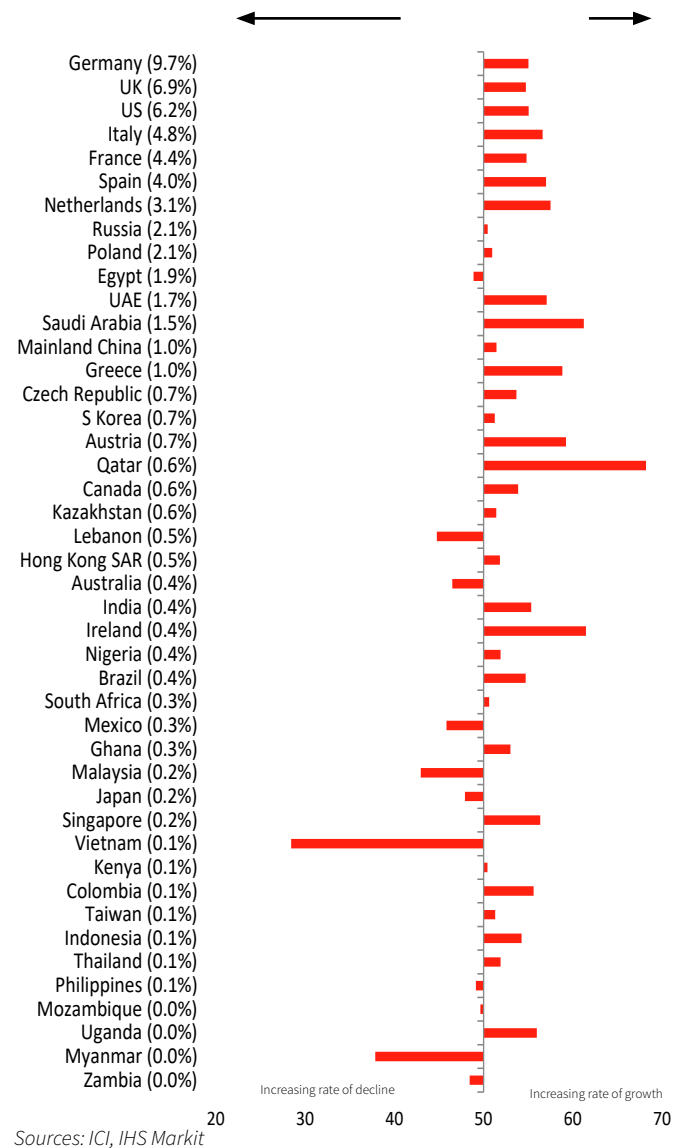
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Country rankings

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

sa, >50= growth since previous month



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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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