

# ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

## Export Climate Index at 53.9 in December



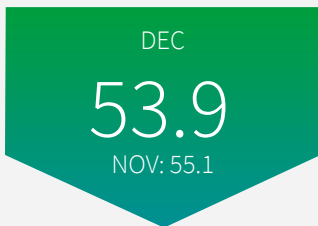
### KEY FINDINGS

Demand conditions have strengthened for the last 11 months

Slowdown in growth caused by emergence of Omicron variant

US demand continues to increase sharply

### TURKEY MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Oct-21	54.7
Nov-21	55.1
Dec-21	53.9

Although the export climate for Turkish manufacturers continued to improve overall at the end of 2021, the rate at which demand conditions strengthened was the softest in ten months amid the emergence of the Omicron variant of the COVID-19 pandemic and related disruption in some key export markets.

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 53.9 in December, signalling a further solid strengthening in the health of the export climate and extending the current sequence of improvement to 11 months. That said, the reading was down from 55.1 in November and was at its lowest level since last February.

The US remained an important source of demand growth in December. Business activity continued to increase sharply, with the rate of growth ticking down only fractionally from that seen in November. The US is one of the main export destinations for Turkish manufacturers, accounting for around 6% of all exports.

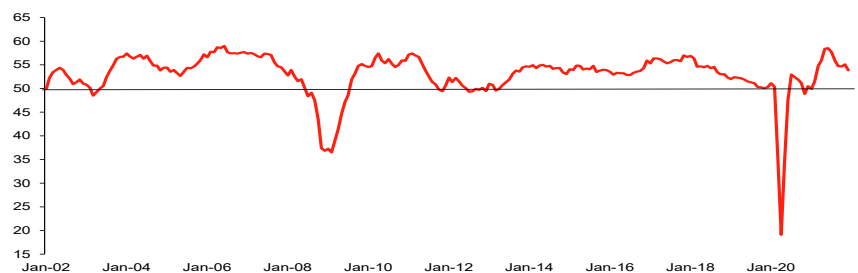
There were signs of a more pronounced slowdown in Europe, however, where the COVID-19 pandemic in general and emergence of the Omicron variant during December impacted activity. In fact, Germany saw output decrease fractionally, thereby ending a 17-month sequence of expansion.

The second-largest export market for Turkish manufacturers - the UK - saw growth of activity slow markedly to the weakest in the current ten-month sequence of rising output. Softer increases in activity were also registered in Italy, France, Spain, the Netherlands and Ireland.

Business activity contracted in South

## Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





Africa, where the Omicron variant was first identified, but the South African market represents less than 1% of Turkish manufacturing exports.

There was more positive news in parts of Central and Eastern Europe, with growth picking up in Poland and the Czech Republic, while Russia posted a marginal increase in activity following two months of contraction.

Sharp expansions were recorded again in some Middle Eastern countries, including the UAE, Saudi Arabia and Qatar. In fact, the rise in output in the UAE was the strongest in just under two-and-a-half years. Other countries in the region continued to struggle, however, with Egypt and Lebanon posting further reductions in activity.

Economic performance in Asia was generally positive at the end of the year as economies in the region continued to recover from the Delta wave which caused disruption earlier in 2021.

### Comment

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

“The global economy ended 2021 in a sadly familiar position, with the COVID-19 pandemic again dictating economic trends. The emergence of the Omicron variant acted to disrupt activity in those countries where it had begun to take hold, and provides a key risk to growth at the start of 2022 should it spread to more parts of the world.”

### For further information, please contact:

#### Istanbul Chamber of Industry

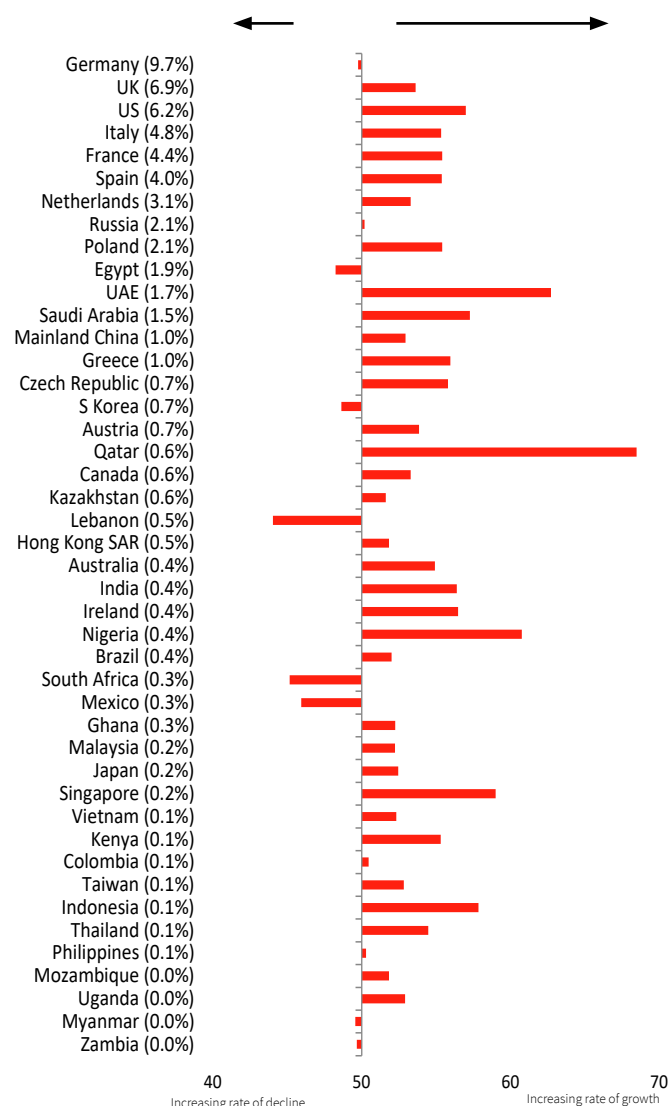
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### Country rankings

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

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