

ICI TURKEY EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export Climate Index registers at 52.3 in January



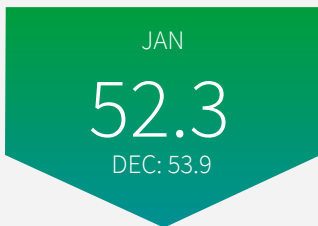
KEY FINDINGS

Softest improvement in export climate in 11 months

US expansion slowest in a year-and-a-half

German activity returns to growth

TURKEY MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jan-22	52.3

The rate of improvement in demand conditions in export markets continued to soften at the start of the year amid disruption caused by the Omicron variant of the COVID-19 pandemic. This was particularly the case in the US, where the rate of expansion in business activity was the weakest in a year-and-a-half.

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 remained above the 50.0 no-change mark in January, posting a twelfth successive monthly improvement in the export climate for manufacturers. That said, at 52.3 the latest reading was down from 53.9 in December and the lowest since February 2021.

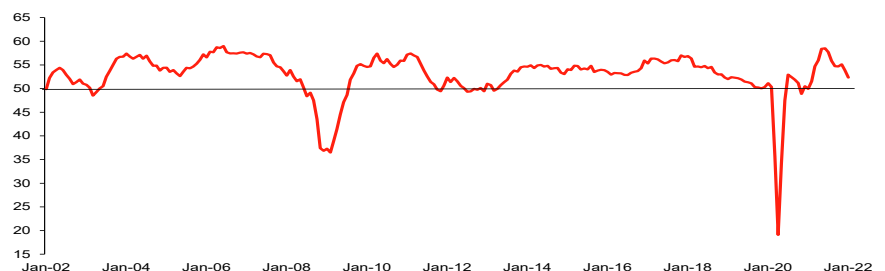
A key factor behind the slowdown in the rate of improvement overall was a marked softening of growth in the US at the start of the year. The outbreak of the Omicron variant contributed to the rate of expansion easing to a marginal pace that was the slowest in a year-and-a-half. The US accounts for around 7% of Turkish manufacturing exports and is the second-largest destination behind Germany.

In Germany there were some signs of improvement following a marginal reduction in output in December. January data pointed to a solid increase in activity. Elsewhere in the eurozone the Omicron variant impacted operations. Softer improvements in output were seen in France and Italy, while Spain posted an outright decline in activity for the first time in close to a year. On the other hand, demand conditions in the Netherlands manufacturing sector improved at the start of the year.

In the UK, output growth was solid, having quickened from the previous

Manufacturing PMI Export Climate Index

sa, %50= improvement since previous month





month amid signs that the Omicron wave was subsiding.

The strongest rates of growth in January were found in the Middle East, with both Qatar and the UAE registering steep increases in activity. On the other hand, output in Egypt continued to moderate, and to the greatest extent since June 2020.

Turning to Central and Eastern Europe, Russia posted a marginal increase in activity for the second month running in January. Meanwhile, a marked strengthening of demand conditions in the Czech Republic compared with a more moderate improvement in Poland. In fact, the rise in manufacturing output in the Czech Republic was the strongest since last August.

The steepest downturn in activity at the start of the year was recorded in Kazakhstan, where operations were hampered by the imposition of a state of emergency.

Comment

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

“The spread of the Omicron variant continued to hamper demand in key export markets for Turkish manufacturers in January, most notably in the US. That said, some countries have already seen the latest wave of the pandemic subside, raising hopes that any slowdown will prove short-lived and that demand growth will start to speed up as 2022 progresses.”

For further information, please contact:

Istanbul Chamber of Industry

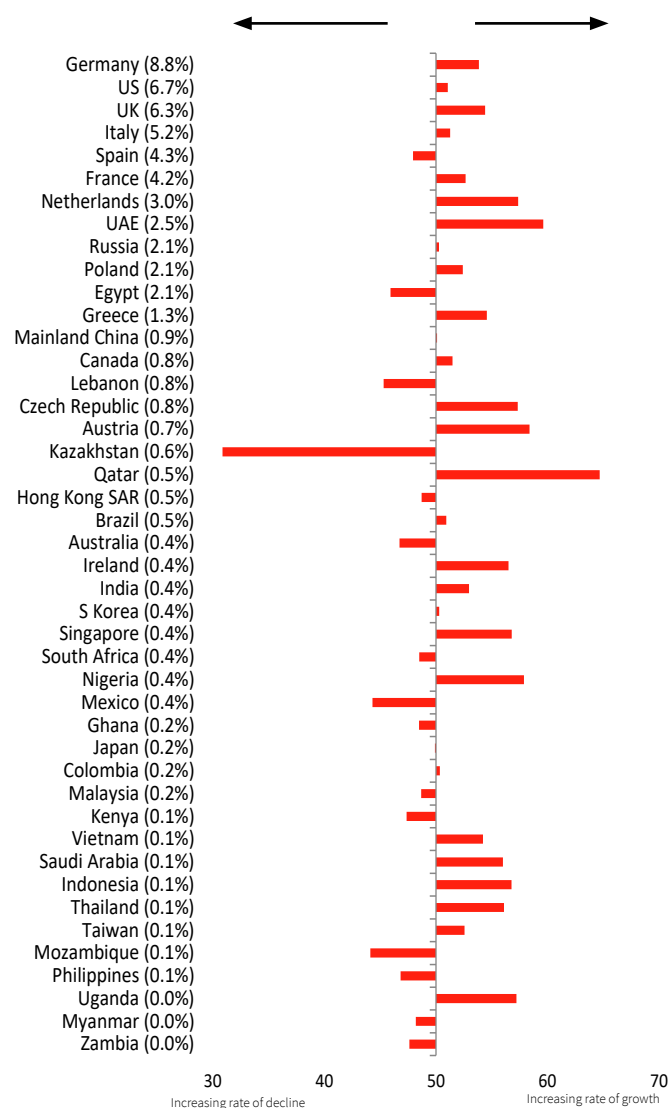
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Country rankings

PMI Output Index (ordered by export weight in full-year 2021)
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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