

ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate continues to improve



KEY FINDINGS

Export Climate Index posts 53.9 in March

Relative lack of COVID-19 disruption boosts demand

Signs of a slowdown amid war in Ukraine

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Feb-22	55.2
Mar-22	53.9

Turkish manufacturers continued to experience an improving export climate at the end of the first quarter of the year as a number of key trading partners benefited from looser COVID-19 restrictions. That said, export demand strengthened to a slightly lesser extent than in February amid signs that the outbreak of war in Ukraine hampered activity in some countries.

The Türkiye 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 Türkiye Manufacturing Export Climate Index posted 53.9 in March, signalling a solid monthly improvement in the export climate for manufacturers. The health of export demand has now strengthened in 14 successive months. That said, the latest reading was down from 55.2 in

February, thereby pointing to a softer improvement.

Some key export markets saw output growth quicken in March amid a relative lack of disruption from the COVID-19 pandemic. The US and UK each posted faster rises in activity than in February, with rates of expansion quickening to eight- and nine-month highs respectively.

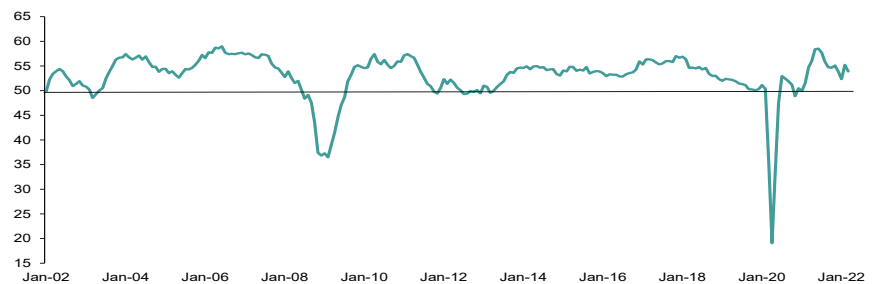
Of the main eurozone export destinations, France also posted a quicker pace of increase in March. Other nations in the currency bloc saw rates of growth soften, however, amid the early impacts of the war in Ukraine and associated affects on supply chains and price pressures. Germany, Italy, Spain and the Netherlands all saw output rise at softer rates during the month.

Meanwhile, Russia saw output decrease sharply, thereby ending a three-month sequence of growth.

Marginal reductions in manufacturing production were signalled in Poland and

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



the Czech Republic, ending growth sequences of 13 and four months respectively.

Non-oil activity in the UAE continued to increase at a substantial pace in March, with growth little-changed from that seen in February. An elevated rate of expansion was also signalled again in Qatar. Less positive within the Middle East region was a further drop in output in Egypt, with the rate of decline accelerating to the fastest in 21 months.

The sharpest reduction in activity of all the countries covered in March was recorded in Hong Kong SAR, where a severe wave of the COVID-19 pandemic led to restrictions and widespread falls in output. A similar issue, albeit less severe, was seen in Mainland China, where output decreased to the largest extent in just over two years.

Comment

Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing Export Climate Index, Andrew Harker, Economics Director, S&P Global, said:

“While export demand conditions remained resilient at the end of the first quarter, the full impacts of the war in Ukraine, including falling business confidence, higher prices and supply-chain disruption, have the potential to limit export opportunities for manufacturers during the second quarter of the year.”

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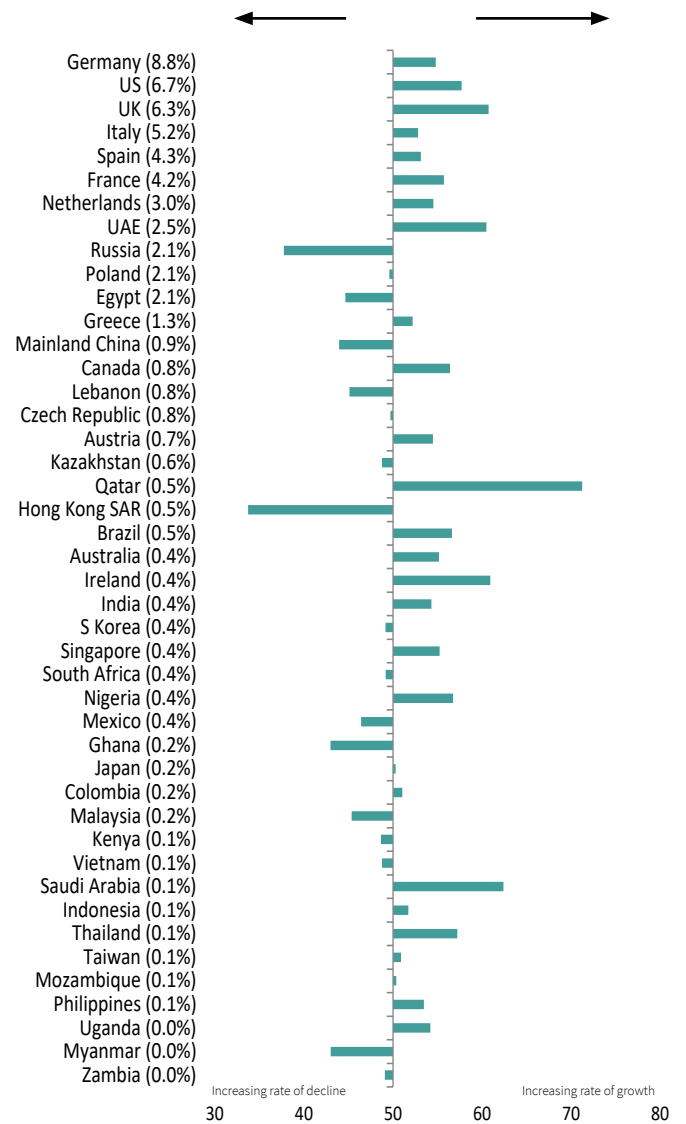
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Country rankings

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

sa, >50= growth since previous month



Sources: ICI, S&P Global

S&P Global

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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 Türkiye'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 Türkiye'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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