

ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Demand conditions in export markets strengthen

KEY FINDINGS

Export Climate Index up to 54.4 in April

Key markets see output expand

Some signs of inflationary pressures limiting growth

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Apr-22	54.4

The export climate for Turkish manufacturers continued to improve at the start of the second quarter, with growth sustained across all of the key export markets. There were some tentative signs, however, that sustained inflationary pressures globally acted to subdue demand in some cases.

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 rose to 54.4 in April from 53.9 in March. The latest reading signalled a solid improvement in export demand conditions for manufacturers, and one that was slightly more marked than that seen in March. The export climate has now strengthened in each of the past 15 months.

Each of the eight largest export destinations for Turkish goods posted growth of activity during April.

In the eurozone, Italy, Spain, France and the Netherlands all saw output growth accelerate at the start of the second quarter as a lack of pandemic restrictions boosted activity and compensated for challenges in supply chains and steep price rises. In Germany, however, the latest increase in output was the joint-slowest in the year-to-date.

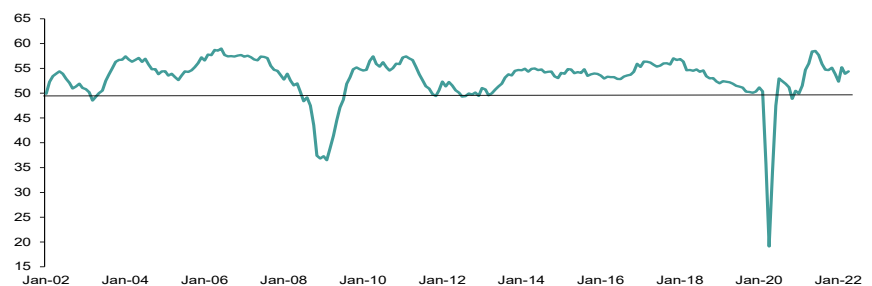
Growth also softened in two of the other main export markets for Turkish manufacturers - the US and UK, although in both cases rates of expansion remained marked.

The UAE recorded a further steep increase in non-oil business activity during April, with the rate of growth quickening to the fastest in 2022 so far.

The largest export destination to see a fall in output during April was Russia, which accounts for around 2% of Turkish manufactured exports. Activity

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



decreased for the second month running following the outbreak of war in Ukraine and imposition of sanctions, although the pace of reduction softened from that seen in March.

The other main area of concern in April was Mainland China, where strict COVID-19 lockdowns hit activity. In fact, the latest fall in output was the most marked since February 2020 and the steepest of all of the countries covered by the report.

At the other end of the scale, the most marked expansion in activity was registered in Qatar where the rate of growth accelerated to the fastest in just over five years of data collection. Elsewhere in the Middle East, activity declined in Egypt and Lebanon, but continued to rise in Saudi Arabia.

Comment

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

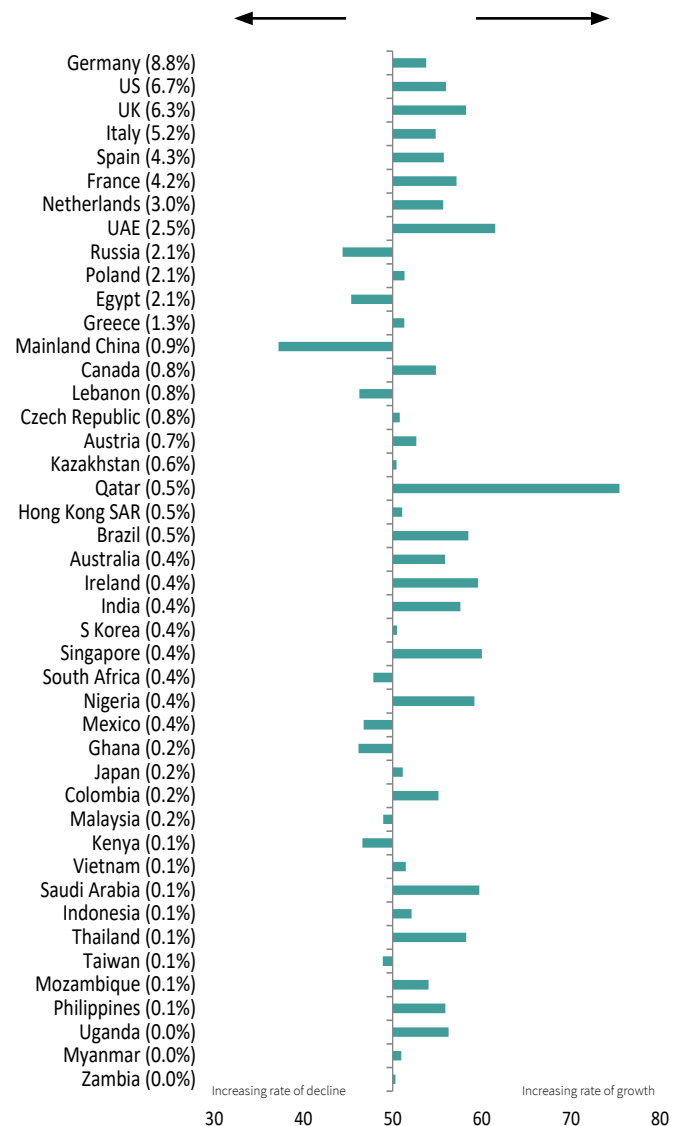
“Continued growth in all of the main export markets for Turkish manufactured goods means that opportunities remain for firms to secure new business from abroad. Severe price pressures globally look set to limit growth, but currency weakness in Türkiye might help firms to maintain relative price competitiveness.”

**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 2021)
sa, >50= growth since previous month



Sources: ICI, S&P Global

S&P Global

Andrew Harker, Economics Director
Telephone +44 1491 461 016
Email: andrew.harker@spglobal.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 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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