

# ICI TÜRKİYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

## Export climate improves, but at weaker pace

### KEY FINDINGS

Export Climate Index at 53.2 in May

Slower growth in main export markets

Middle East posts strong expansions

### TÜRKİYE MANUFACTURING ECI



### LAST TWELVE MONTHS

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
May-22	53.2

While the export climate facing Turkish manufacturers continued to improve during May, there were some signs of growth in key export markets slowing. In fact, each of the four largest destinations for Turkish manufactured goods saw output rise at a weaker pace midway through the second quarter. On the other hand, further strong expansions were recorded across parts of the Middle East.

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 53.2 in May, signalling a solid improvement in demand conditions in export markets, and extending the current sequence of strengthening to 16 months. That said, the reading was down

from 54.4 in April and pointed to the weakest improvement since January.

Softer growth was recorded across each of the four largest export destinations for Turkish manufacturers, namely Germany, the UK, US and Italy. In particular, growth in the UK slowed sharply to a 15-month low, while the US also saw a much weaker rise in activity during May.

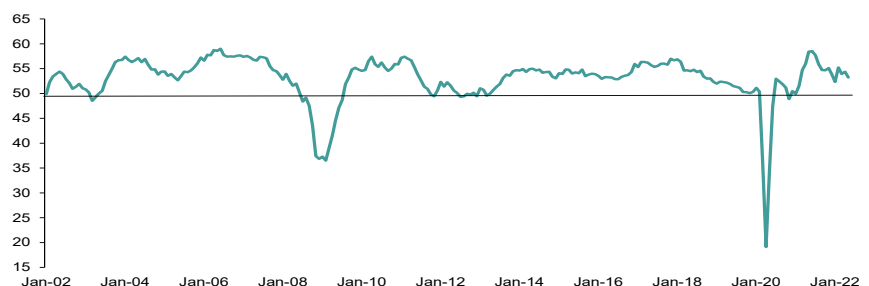
More positively, Spain and France continued to record sharp increases in activity midway through the second quarter, often reflective of a post-COVID recovery in demand from the service sector.

The Middle East was a key source of strength in May. The UAE posted a sharp increase in non-oil business activity, and one that was the fastest in the year-to-date. Meanwhile, Qatar registered the sharpest growth of all countries covered by the report. Output trends in Egypt and Lebanon remained muted, however.

The war in Ukraine continued to impact activity in parts of Europe. Russian

## Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



output was down for the third month running, albeit to the least extent in this sequence. Meanwhile, Polish manufacturing production fell at the fastest pace in two years.

The sharpest reduction in output was seen in Mainland China, where COVID-19 lockdowns continued to restrict business activity. Output was down for the third month running, and at a sharp pace. Issues in Mainland China impacted on other economies in the region, with Taiwan, South Korea and Malaysia all seeing activity decrease.

#### Comment

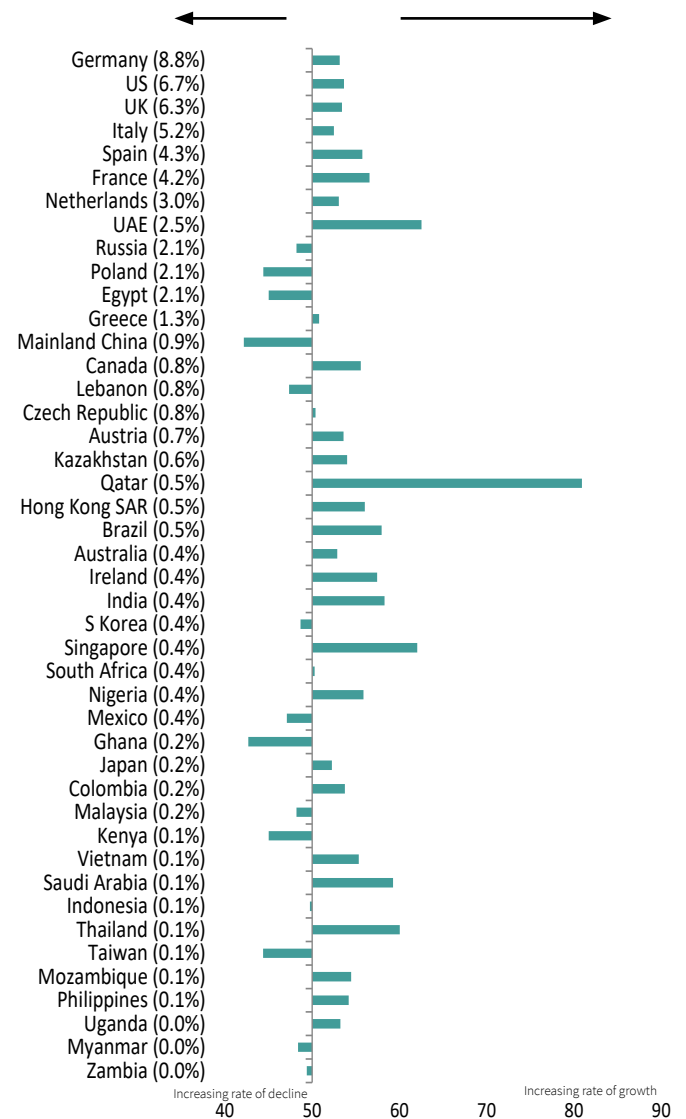
Commenting on the Istanbul Chamber of Industry Türkiye Manufacturing Export Climate Index, Andrew Harker, Economics Director, S&P Global Market Intelligence, said:

“Latest PMI data points to worrying signs of growth slowing, particularly in some of the key export markets for Turkish manufacturers. Steep price pressures are acting to limit demand, and so firms will be looking to compete strongly over the coming months in order to make sure they can secure orders.”

#### Country rankings

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

sa, >50= growth since previous month



Sources: ICI, 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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