

ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Improvement in export climate moderates again in June

KEY FINDINGS

Export Climate Index at 51.8, lowest since February 2021

Slowdowns seen in the US and much of Europe

UAE posts further sharp expansion

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jun-22	51.8

Although demand conditions in export markets continued to improve for Turkish manufacturers during June, there were further signs of a slowdown in the global economy amid intense inflationary pressures. This was particularly the case with some of the key export markets for Turkish firms in Europe and the US.

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 registered 51.8 in June, down from 53.2 in May. The latest reading signalled a modest improvement in the export demand climate, but one that was the weakest since February 2021.

Slower growth was evident in a range of key developed markets at the midway

point of the year. The world's largest economy - the US - saw the rate of expansion in activity soften for the third month running. The US accounts for around 7% of Turkish manufacturing exports.

Similar trends were seen in a range of European economies. Germany, Italy, Spain, France and the Netherlands all saw rates of output growth soften during June.

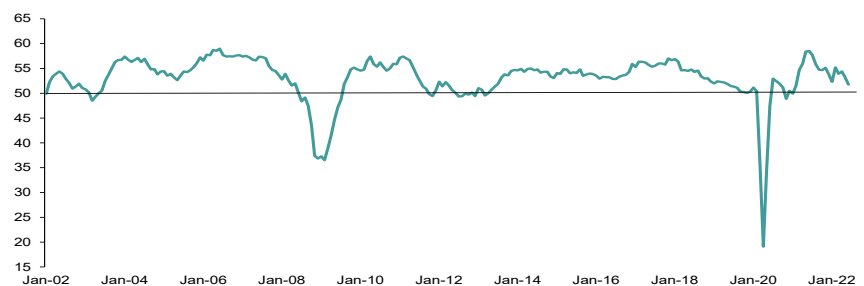
While the UK bucked this trend and posted a slightly faster increase in activity than in May, growth was still well below that seen at the start of the second quarter.

The UAE was again a key source of demand growth in June as the rate of expansion in non-oil output remained sharp despite easing. Elsewhere in the Middle East, Qatar posted the sharpest rise in activity of the areas covered by the report.

At the other end of the scale, Poland registered the most marked contraction

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



in output in June, with manufacturing production falling at the fastest pace in just over two years. Greece, the Czech Republic and Austria all joined Poland in seeing a reduction in manufacturing output.

Russia saw a slight increase in activity at the end of the second quarter, thereby ending a three-month sequence of decline. Mainland China also recorded a return to growth amid a relaxation of some COVID-19 lockdown measures. The rise in activity was the first since February. Mainland China accounts for just 1% of Turkish manufacturing exports, however.

Comment

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

“There were further signs of slowdown in the global economy at the end of the second quarter, again suggesting that demand is being dampened by widespread price rises. Turkish exporters will therefore be finding it increasingly difficult to secure sales abroad, particularly in Europe and the US where the slowdowns appear to be most pronounced.”

**For further information, please contact:
Istanbul Chamber of Industry**

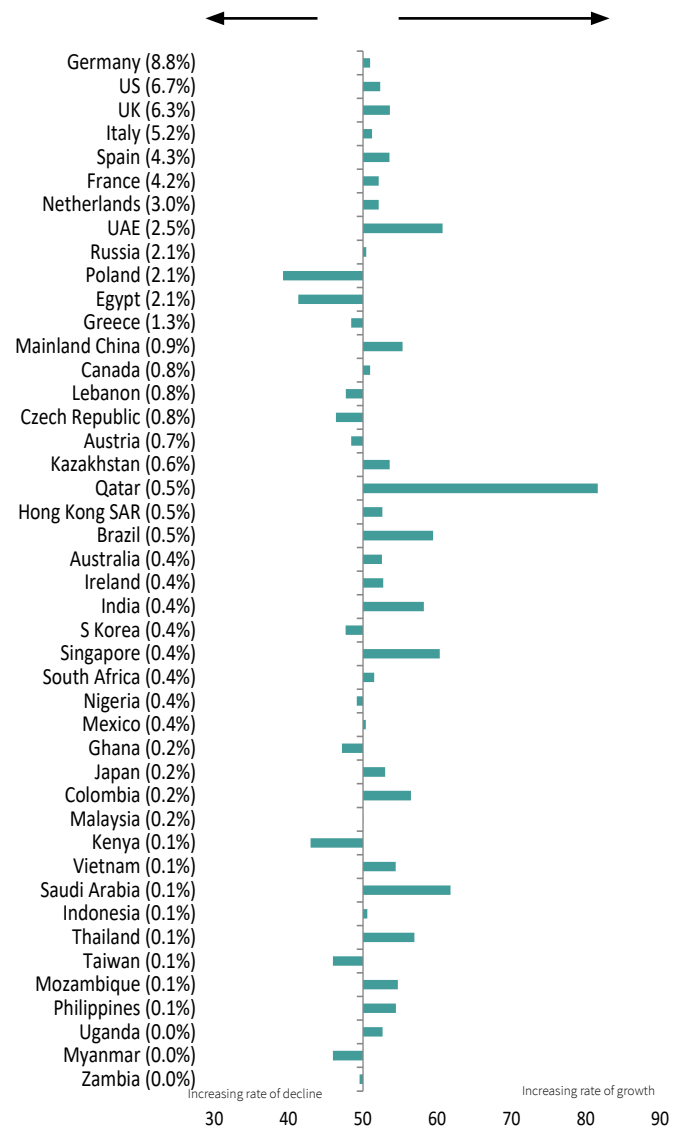
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Country rankings

PMI Output Index (ordered by export weight in full-year 2021)
sa, >50= growth since previous month



Sources: ICI, S&P Global

S&P Global Market Intelligence

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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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