

ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate unchanged in July



KEY FINDINGS

Export Climate Index posts at 50.0 no-change mark

UAE sees further sharp rise in non-oil activity

Germany and the US among those countries to see output fall

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jul-22	50.0

Turkish manufacturers saw no change to their export climate during July, thereby ending a 17-month sequence of improvement. While some key export markets saw activity continue to rise, most notably in the UAE, others saw demand soften amid the impact of inflationary pressures.

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 exactly at the 50.0 no-change mark in July, signalling stable export demand conditions over the course of the month. The reading was down from 51.8 in June, thereby ending a period of improvement in the export climate stretching back to February 2021.

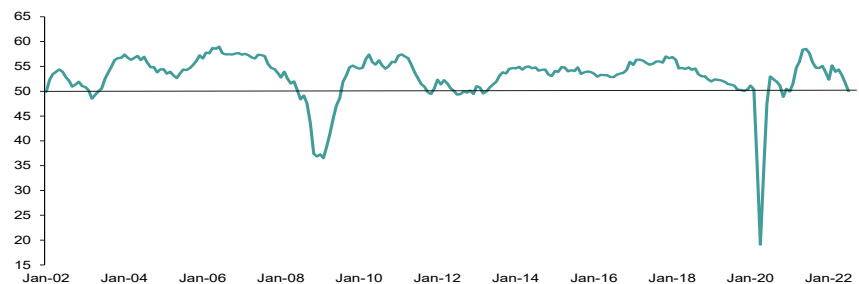
The main source of rising demand among the key export destinations for Turkish manufacturers was the UAE, where non-oil business activity continued to increase sharply. In fact, the latest rise was the joint-fastest in seven months. Elsewhere in the Middle East, sharp expansions were seen in Qatar and Saudi Arabia, but Egypt and Lebanon saw activity moderate.

Turning to Europe, there was a mixed picture for output at the start of the third quarter. Growth was maintained in the UK, Spain, France and the Netherlands, albeit with rates of expansion slowing in each case.

Meanwhile, Germany, Italy, Poland and Greece all saw output fall in July. Activity in Germany decreased for the first time in the year-to-date, and to the greatest extent since the first wave of the COVID-19 pandemic. Germany is the single largest destination for Turkish manufacturing exports, accounting for around 9% of the total.

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



The US also posted a renewed reduction in business activity, seeing output fall for the first time in just over two years and at the fastest pace since May 2020.

Outside of the Middle East, the sharpest increases in output were seen in Asia, with marked expansions posted in India, Singapore and Thailand. Mainland China saw activity rise for the second month running following the loosening of pandemic lockdown restrictions.

The sharpest decline in output was the aforementioned reduction in Poland, with Taiwan, Kenya and the Czech Republic also posting marked slowdowns in demand.

Comment

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

“The global economy continued to feel the strain that inflationary pressures are putting on demand in July, with some key export destinations now having moved into contraction. Europe and the US are particular sources of weakness, with the Middle East currently likely to provide the main avenue of new work for Turkish manufacturers as activity continues to rise strongly.”

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

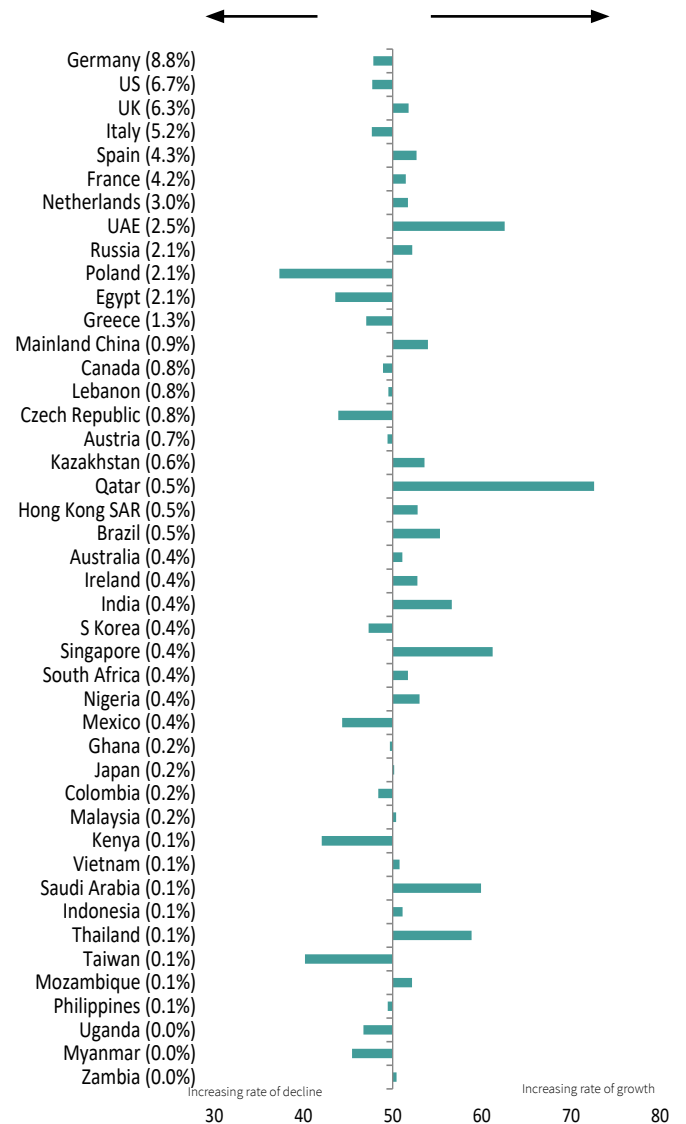
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Country rankings

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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