

# ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

## Export climate moderates for third month running

### KEY FINDINGS

ECI posts 47.9 in October

UAE only main export market to record growth

Ongoing moderations in Europe and US

### TÜRKIYE MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Aug-22	48.8
Sep-22	48.8
Oct-22	47.9

The export climate for Turkish manufacturers remained challenging at the start of the final quarter of the year amid weakening demand conditions across a range of export destinations. The UAE was the only main market to buck the wider trend and see activity improve in October.

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 dropped to 47.9 in October from 48.8 in September. Demand conditions in export markets have now deteriorated in three successive months, with the latest moderation the sharpest since the initial wave of the COVID-19 pandemic in June 2020.

Demand weakness was widespread across the main export markets for Turkish manufacturers in October. Of the top 18 export destinations, only one (the UAE) posted a rise in business activity.

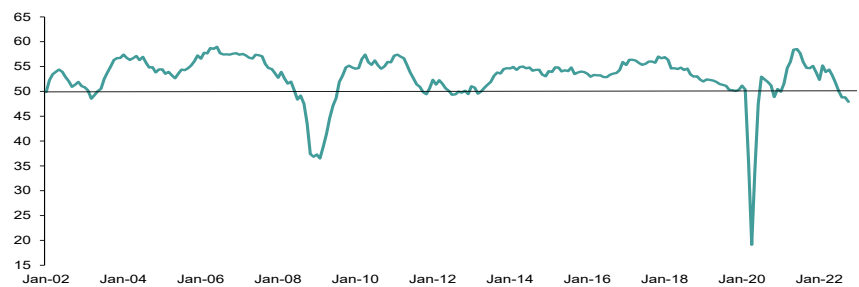
The increase in non-oil output in the UAE was substantial again, with the rate of expansion quickening since September. Elsewhere in the Middle East, activity also rose in Saudi Arabia and Qatar, but slowed in Lebanon and Egypt.

Turning to Europe, Germany (the largest export market for Turkish manufacturers) fell deeper into contraction territory during October, with output falling for the fourth month running. Sharper reductions in activity were also seen in the UK, Italy, Spain, the Netherlands, Austria, Greece, Poland and the Czech Republic. France posted a marginal reduction in output following a rise in the previous survey period.

The US, which accounts for around 7% of Turkish manufacturing exports, remained in contraction in October,

## Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month



seeing output fall for the fourth month running and at a faster pace than in September. Canadian manufacturing output also moderated to a greater extent than in the previous month, while Mexico posted a softer decline.

The sharpest reduction in output of the markets covered by the report was seen in Taiwan, where production decreased at one of the sharpest rates since the global financial crisis amid a drop off in global demand. Mainland China, South Korea and Malaysia were among the other Asian economies to see demand conditions deteriorate at the start of the final quarter of the year.

Away from Mainland China, there were mixed trends across the BRIC economies. Activity increased in Brazil and India, but fell in Russia.

**Comment**

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

“The breadth of the slowdown in the global economy is clear from the latest Export Climate Index report for Turkish manufacturers, with only the UAE among the main export destinations remaining in growth territory. These trends mean that securing new business from export markets is likely to remain a challenge over the remainder of 2022 at least.”

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

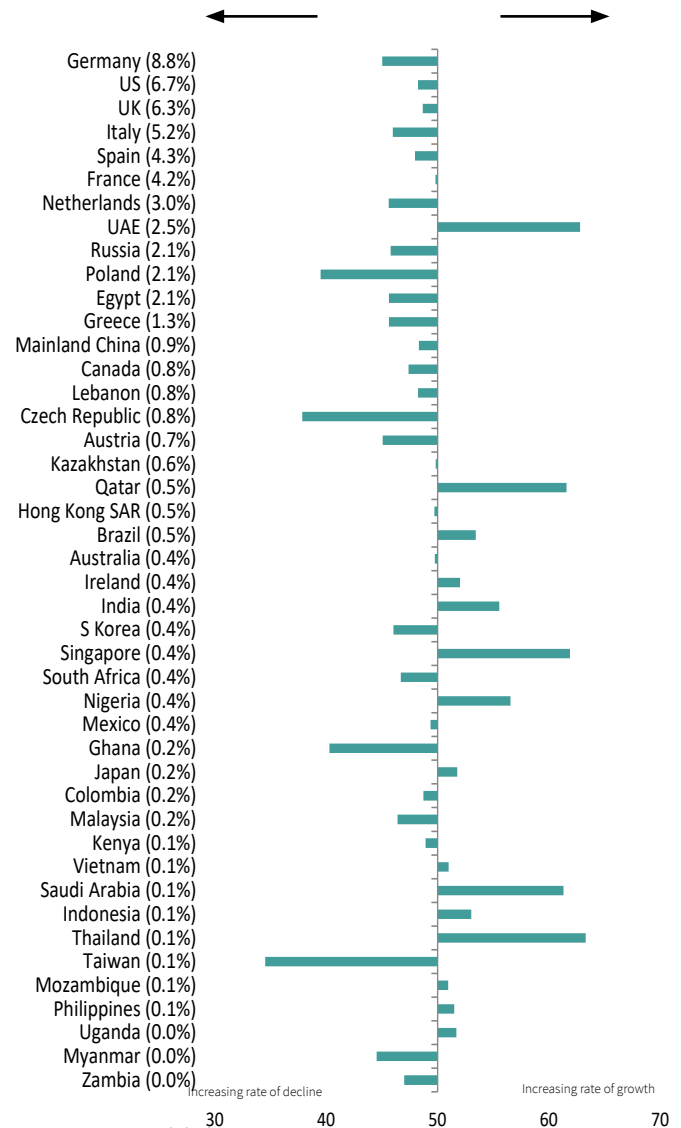
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**Country rankings**

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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