



# ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

## Export demand conditions remain challenging at end of 2022

### KEY FINDINGS

ECI posts 48.5 in December

Accelerated decline in US output

Middle East main area of rising activity

### TÜRKIYE MANUFACTURING ECI



### LAST TWELVE MONTHS

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
Nov-22	47.8
Dec-22	48.5

The final month of 2022 continued the recent trend of slowing demand conditions in export markets. In fact, of the top 18 export destinations for Turkish manufactured products, only one saw business activity rise in the final month of the year, namely the UAE where growth remained strong.

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 48.5 in December from 47.8 in November, thereby pointing to a further moderation in the export climate facing Turkish manufacturers. Demand conditions in export markets have now worsened in five successive months, although the latest slowdown was the softest since last September.

The US remained a key source of softening demand in December as business activity fell at a marked pace that was the sharpest in four months.

Meanwhile, there were widespread reductions in business activity across European trading partners, although there were some signs of rates of moderation easing.

In Germany, which is the single largest export destination for Turkish manufactured goods, output decreased for the sixth month running, albeit at a modest pace that was the softest in this sequence. Slower reductions in activity were also recorded in the UK, Italy, Spain, France, the Netherlands, Poland, Austria and the Czech Republic.

The only one of the main export destinations for Turkish manufactured goods to post an increase in business activity in the final month of 2022 was the UAE. Growth of the non-oil private sector remained marked, despite easing to a 15-month low. Elsewhere in the

## Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





Middle East, Qatar and Saudi Arabia posted marked increases in business activity, but reductions were seen in Lebanon and Egypt.

The fastest pace of growth across all monitored economies in December was registered in Thailand. Staying in Asia, a marked expansion in activity was also signalled in India, while pandemic difficulties led to a fourth successive monthly reduction in output in Mainland China.

Completing the picture for the BRIC economies, modest falls in output were seen in both Brazil and Russia at the end of 2022.

**Comment**

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

“The final month of 2022 saw little change in the prevailing trends across the global economy, with weakness noted in the US and Europe again. That said, there were signs that the slowdown in Europe eased in December, providing some hope that 2023 could see a more positive picture than thought previously. For now, however, the main source of expansion for Turkish exporters remains the Middle East where business activity continued to rise sharply heading into the new year.”

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

Nesrin Akçay, Economic Research and Corporate Finance Department Mng.

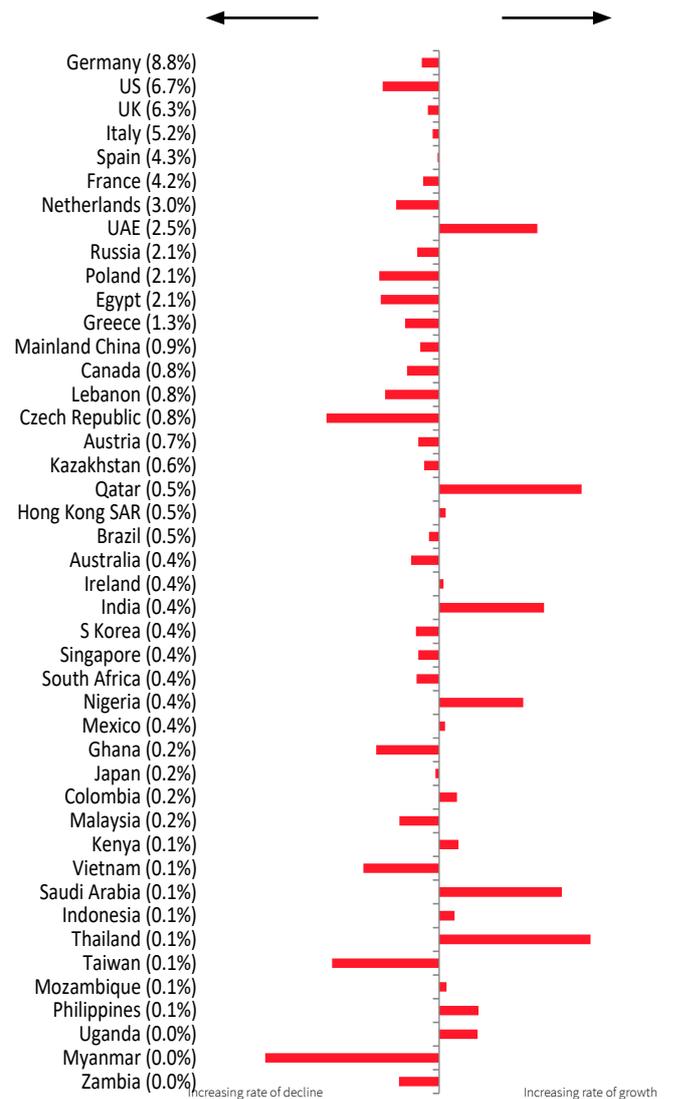
Telephone +90 212 252 29 00 Ext: 180

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 Market Intelligence**

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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