



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Demand conditions in export markets strengthen



KEY FINDINGS

ECI up to 51.7 in February

Renewed growth in the US and key European economies

Further marked expansions in parts of the Middle East

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jan-23	49.5
Feb-23	51.7

The export climate for Turkish manufacturers improved during February as global demand conditions strengthened. Signs of recovery in the key European and US markets combined with ongoing sharp expansions in parts of the Middle East to lead to the overall improvement in the climate.

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 above the 50.0 no-change mark in February, rising to 51.7 from 49.5 in January. This signalled a first monthly improvement in export demand conditions since June 2022.

The final months of 2022 were characterised by falls in output across

the US and a number of key European economies, but the latest figures point to a turnaround in fortunes among these important export markets.

The US saw business activity tick higher in February, thereby ending a seven-month sequence of decline.

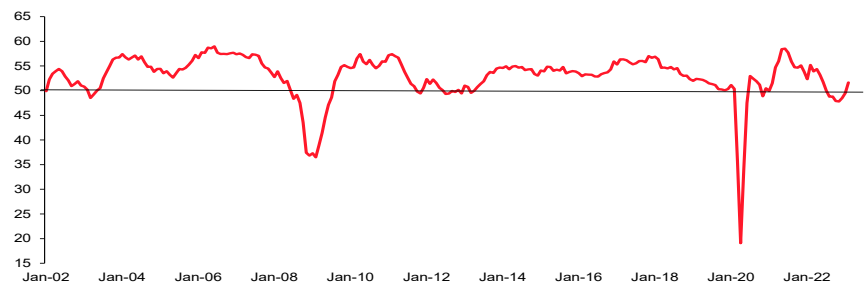
Similarly, there were renewed expansions in activity in a number of European markets. Germany, which is the largest single export destination for Turkish manufactured goods, signalled a rise in output for the first time in eight months. Meanwhile, returns to growth in the UK and France ended sequences of decline lasting for six and four months respectively.

Italy and Spain remained in recovery mode in February, seeing output rise for the second month running in both cases, and at stronger rates than in January.

There was a renewed increase in business activity in Russia, the first since September last year.

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





The Middle East remained a key source of demand growth midway through the first quarter, with the UAE and Saudi Arabia both seeing growth accelerate. A renewed rise in output was registered in Qatar, while Egypt and Lebanon posted softer reductions in activity.

The loosening of pandemic restrictions in Mainland China led to a continued recovery of activity there, with output rising for the second month running and at the fastest pace since June last year.

The sharpest reduction in activity of those markets covered by the report in February was in Nigeria, where cash shortages severely hampered economic activity during the month. Output fell to the largest extent since the outbreak of the COVID-19 pandemic.

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 economic environment at the start of 2023 is clearly more positive than at the end of 2022 and also more favourable than had been expected, providing a boost to Turkish manufacturing exporters. Renewed growth in key European markets and the US were encouraging signs from the latest report, while the reopening of the Mainland China economy should also help to strengthen global demand in the months ahead.”

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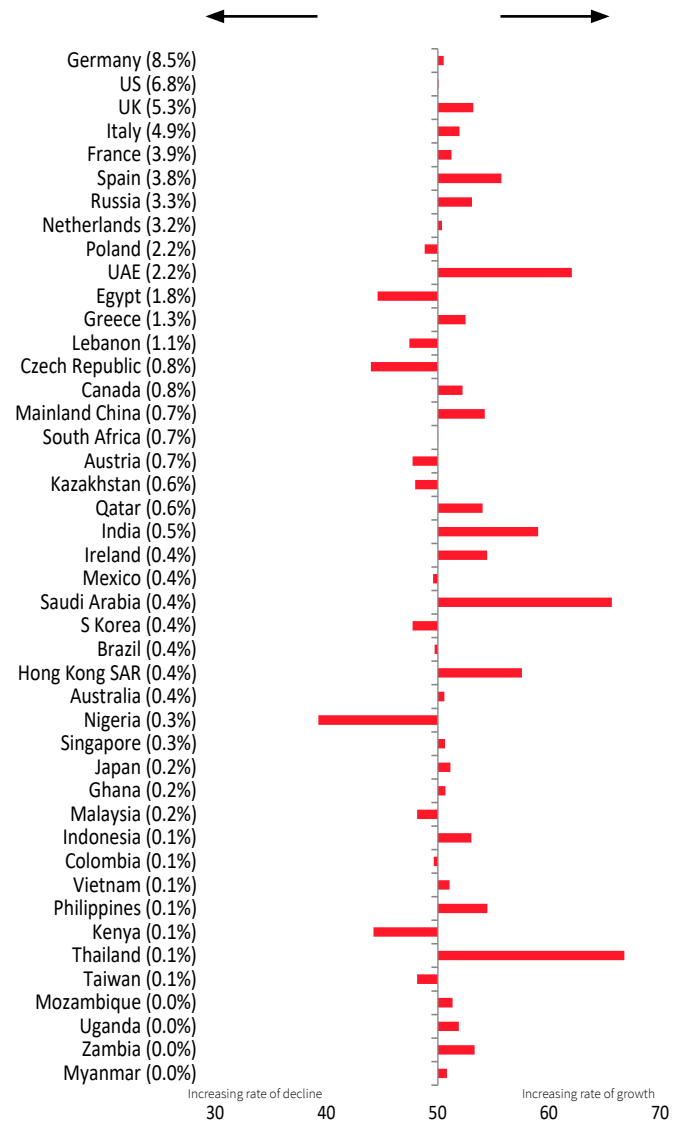
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Country rankings

PMI Output Index (ordered by export weight in full-year 2022)

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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