



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate improves to greatest extent in ten months

KEY FINDINGS

ECI rises to 52.6 in March

Recoveries strengthen in key export markets

Continued marked expansions in Middle East

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Mar-23	52.6

Turkish manufacturers continued to experience improving demand conditions in export markets during March. In fact, the latest strengthening of the export climate was the most marked since May last year. Recoveries picked up pace in a number of European markets and the US, while growth in the Middle East remained sharp.

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 rose to 52.6 in March from 51.7 in February, signalling a second consecutive strengthening of the export climate and one that was the sharpest since May 2022.

The stronger improvement in the

demand climate for exporters often reflected recoveries in key markets gathering pace.

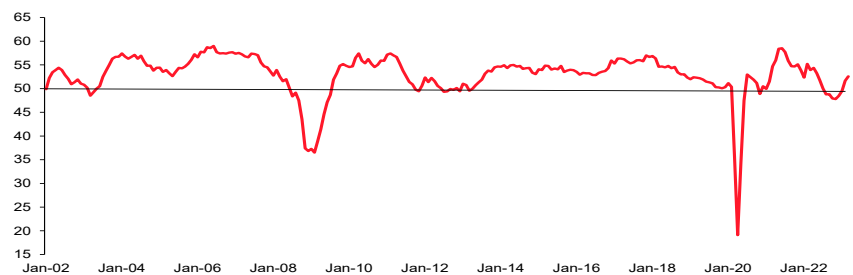
In Germany, output increased for the second month running, with the rate of growth at a ten-month high. The US meanwhile saw activity rise at the sharpest pace in nine months. Combined, these two economies account for around 15% of Turkish manufacturing exports.

Elsewhere in Europe - France, Italy, Spain and Greece all saw rates of expansion quicken in March. Meanwhile, the UK and Ireland posted slower increases in activity and there were falls in manufacturing output in the Netherlands, Austria, Poland and the Czech Republic.

The UAE and Saudi Arabia continued to record sharp increases in non-oil business activity at the end of the first quarter, while Qatar posted an accelerated pace of expansion. Less positive in the Middle East were further

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





reductions in output in Egypt and Lebanon, although rates of decline eased to the slowest in five and seven months respectively.

Mainland China's economic recovery continued in March following the loosening of pandemic restrictions around the turn of the year. Output increased at the fastest pace since June last year. Similarly, growth in Russia was the sharpest in just over two-and-a-half years. Rounding off a positive month for the BRIC economies, India posted a further marked expansion in activity, while Brazil signalled a return to growth for the first time in five months.

The cash crisis in Nigeria continued to have a severe impact on business activity in March. As was the case in February, the decline in output was by far the sharpest of the surveys covered by the report.

Comment

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

“With the recovery in global demand showing signs of gathering pace, Turkish manufacturers experienced the most marked improvement in the export climate in close to a year. Eight of the top ten export destinations saw output increase in March, the exceptions being some continued weakness in European manufacturing. Firms therefore start Q2 on a solid footing which can hopefully be built on over the months ahead.”

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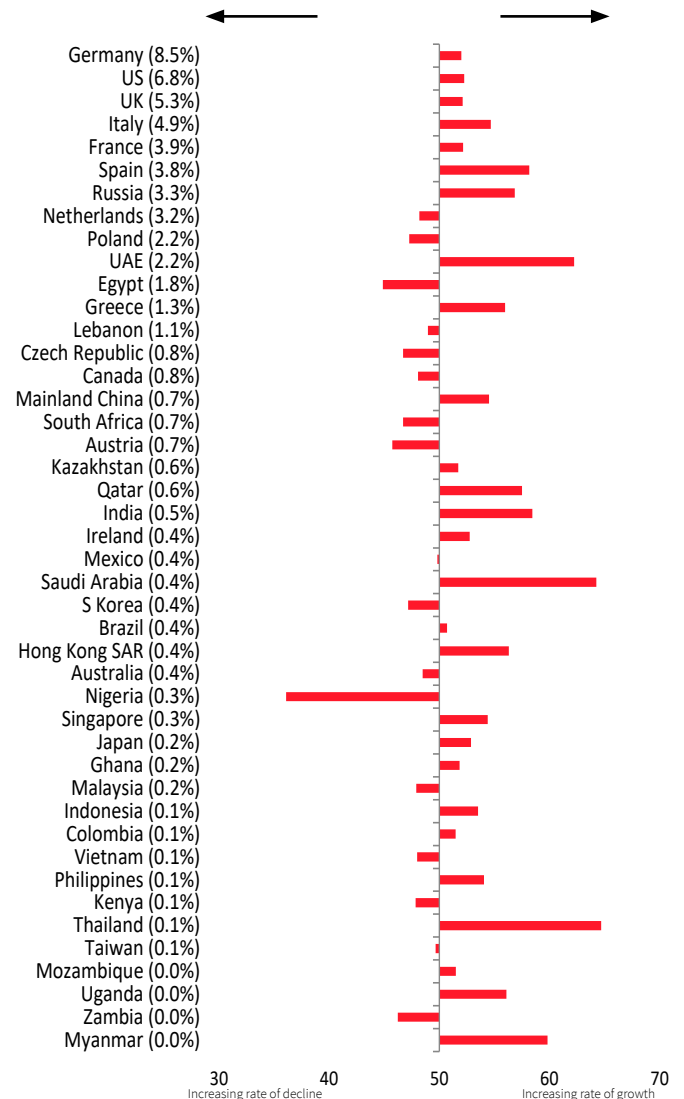
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Country rankings

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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