



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Fourth successive improvement in export demand conditions

KEY FINDINGS

ECI at 52.3 in May

US activity rises at fastest pace in over a year

Softer expansions seen in many European economies

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Apr-23	53.1
May-23	52.3

The export climate for Turkish manufacturers improved again midway through the second quarter of the year as key export markets continued to see business activity increase, largely on the back of stronger demand from services companies.

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 dipped to 52.3 in May from 53.1 in April, but still signalled a solid monthly improvement in export demand conditions for Turkish manufacturers. The export climate has now strengthened in each of the past four months, although the latest improvement was the least pronounced since February.

One of the key markets helping to keep demand conditions improving was the US, where business activity increased for the fourth month in a row and at the fastest pace in just over a year.

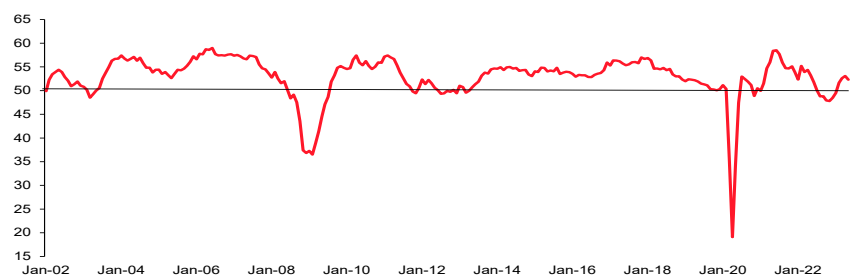
While output in Europe generally also increased in May, rates of expansion slowed in a number of cases. France, Germany, Ireland, Italy, Spain and the UK all saw softer increases in business activity than in April amid weakness in manufacturing.

A lack of demand in manufacturing was highlighted by those European countries for which PMI data are only available for the manufacturing sector. Austria, the Czech Republic, Poland and the Netherlands all saw manufacturing production fall. Bucking this trend was Greece where manufacturing output was boosted by demand from a buoyant tourism industry.

The UAE, Saudi Arabia and Qatar all continued to post marked increases in business activity in May, although of

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





the three only Qatar saw growth accelerate. Elsewhere in the Middle East, Egypt and Lebanon posted softer reductions in activity than in April.

Parts of Asia recorded strong growth in activity. Japan posted the fastest increase since October 2013, while in Mainland China the expansion was the sharpest in almost two-and-a-half years. India saw the rate of growth in activity remain unchanged from that seen in April, which was the steepest since mid-2010.

Meanwhile, business activity increased in Russia for the fourth consecutive month in May. Although slowing from the previous survey period, the rate of expansion remained solid.

Comment

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

“While the export climate for Turkish manufacturers continued to improve, in many cases firms are relying on buoyant demand from services companies in international markets as manufacturing demand remains muted. Exporters will be hoping for more evenly distributed growth in the months ahead if current improvements are to be sustained.”

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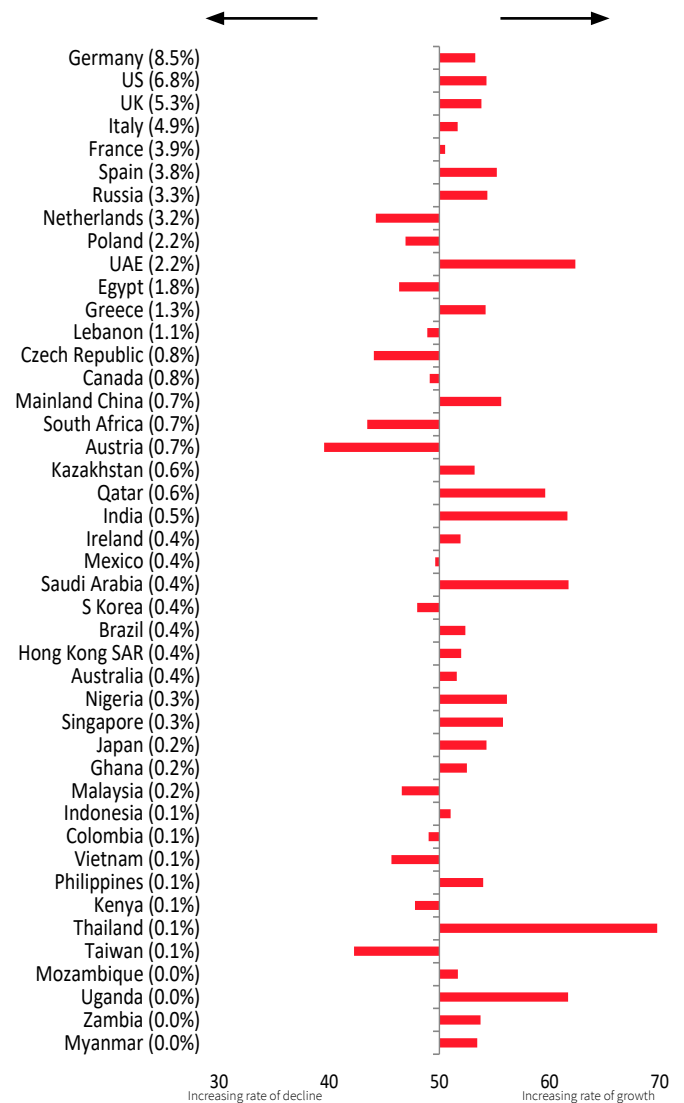
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Country rankings

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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