



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Marginal improvement in international demand conditions



KEY FINDINGS

ECI registers 50.3 in July

Range of European economies see output decrease

Middle East growth remains strong

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Jun-23	51.1
Jul-23	50.3

July data pointed to a near-stagnation of export demand conditions for Turkish manufacturers as global business activity showed further signs of softening at the start of the third quarter. A number of important European markets for Turkish firms posted reductions in output, counterbalancing more buoyant demand conditions in other parts of the world, notably the Middle East and India.

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 for the third month running in July to 50.3 from 51.1 in June. The latest reading signalled only a marginal monthly strengthening of international demand conditions, and one that was the weakest in the current

six-month sequence of improvement.

Germany, which accounts for roughly 9% of Turkish manufacturing exports, posted a fall in output for the first time in six months during July, after seeing no change in June.

Weaker activity was also registered in other European economies, including Italy, France, the Netherlands, Poland, the Czech Republic and Austria. In fact, Austria posted the sharpest contraction in output of all monitored economies during the month.

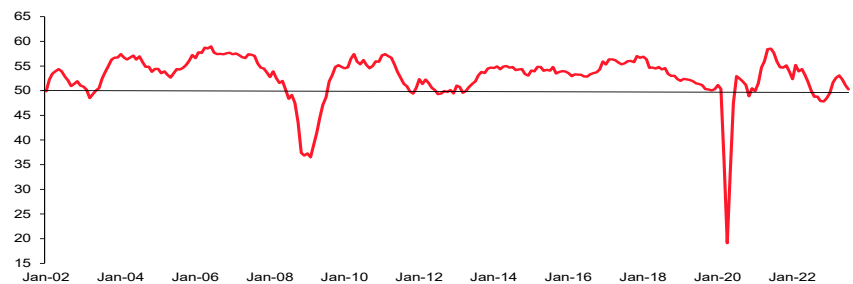
Activity continued to rise in the UK, Spain and Greece, but the latter was the only one of the three to see a sharper increase than in June.

Business activity in the US increased for the sixth month running in July, but the rate of expansion eased and was the softest since February.

The most positive demand trends globally were mainly seen in the Middle East again at the start of the third

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





quarter. Rapid increases in activity were recorded in the UAE, Qatar and Saudi Arabia, with the latter registering the most marked expansion in activity of all the economies covered by the report. Elsewhere, Lebanon posted a rise in output for the second month running, while the pace of decline in Egypt softened.

India remained a strong performer, with the rate of growth in activity quickening from that seen in June. Russia and Mainland China also posted increases, albeit with rates of expansion easing, while output in Brazil decreased for the first time in five months.

Comment

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

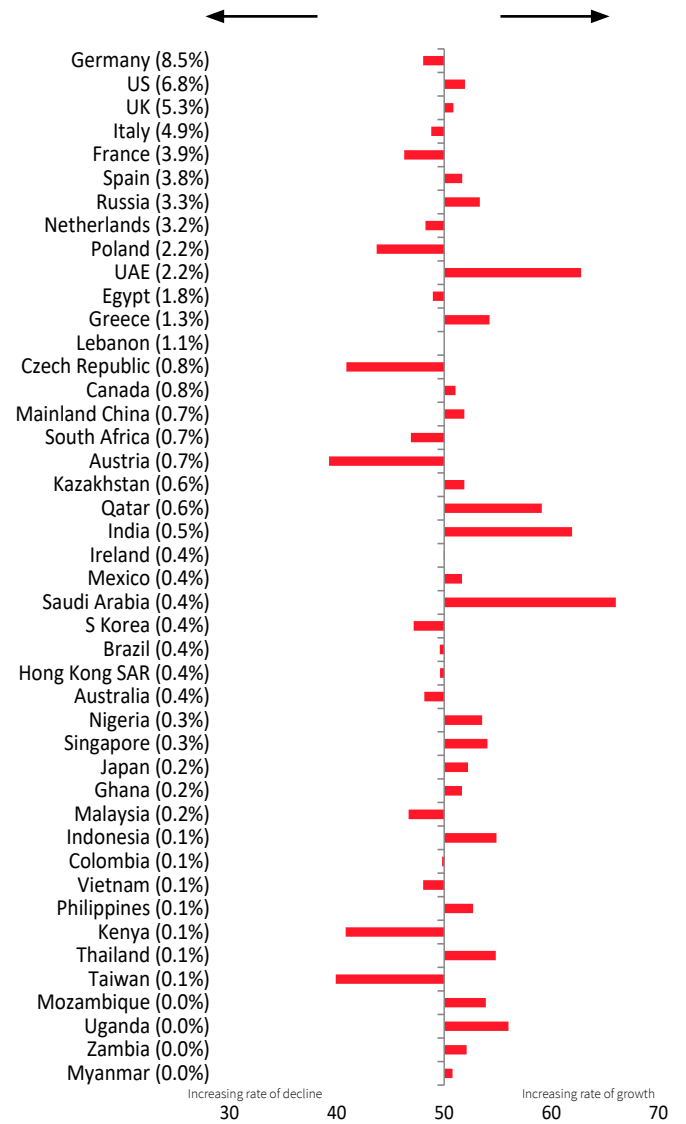
“The increasingly bleak economic picture in Europe, particularly within the manufacturing sector, means that the sequence of improvement for Turkish manufacturing exporters appears to be coming to an end. Firms will be hoping that the buoyant demand conditions in the Middle East can keep growth going for now, but expansions will need to become more broad-based globally if a period of deteriorating export demand conditions is to be avoided.”

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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 PMI.

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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