



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Fourth successive decline in export demand conditions

KEY FINDINGS

ECI rises to 49.5, but points to continued deterioration in export climate

Output down across much of the eurozone

UAE posts fastest expansion in five months

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Aug-23	49.1
Sep-23	49.0
Oct-23	48.5
Nov-23	49.5

The export climate facing Turkish manufacturers continued to weaken in November as the eurozone saw further declines in business activity. That said, some signs of improvement were signalled and export demand conditions thereby worsened only marginally during the month.

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 49.5 in November, below the 50.0 no-change mark for the fourth month running but up from 48.5 in October to signal a marginal deterioration in export demand conditions that was the softest in the current period of decline.

Declines in business activity were mainly

centred on the eurozone in November, with reductions seen in Germany, Italy, France, Spain and the Netherlands. That said, rates of reduction generally eased from October across these economies, the only exception being Spain where output ticked down following no change in the previous survey period.

Signs of improvement were also evident in the UK, which is the third-largest export market for Turkish manufacturers. Here, output increased marginally, ending a three-month sequence of decline.

The US recorded a further increase in output during November, the tenth in as many months. The rate of expansion remained modest and was unchanged from October.

The main source of strength in demand was the UAE, where the rate of expansion in non-oil activity quickened to a five-month high. Elsewhere in the Middle East, faster increases were also seen in Saudi Arabia and Qatar, while Egypt and Lebanon posted reductions.

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





Parts of Asia were also in expansion territory in November, including India, mainland China, Singapore, Indonesia and the Philippines.

Alongside India and mainland China, the remaining BRIC economies of Brazil and Russia also registered increases in activity midway through the fourth quarter. That said, the rise in Russia was the weakest in the current ten-month sequence of expansion.

Comment

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

“Although the demand climate for Turkish manufacturing exporters continued to deteriorate in November, there were some signs that a corner may be being turned as the year draws to a close. Parts of Asia and the Middle East grew strongly, the US remained in expansion and the UK returned to growth. While the eurozone remained the main area of weakness, even here there were signs of the downturn softening. Manufacturers will be hoping that these tentative signs of improvement can translate into something more solid in the months ahead.”

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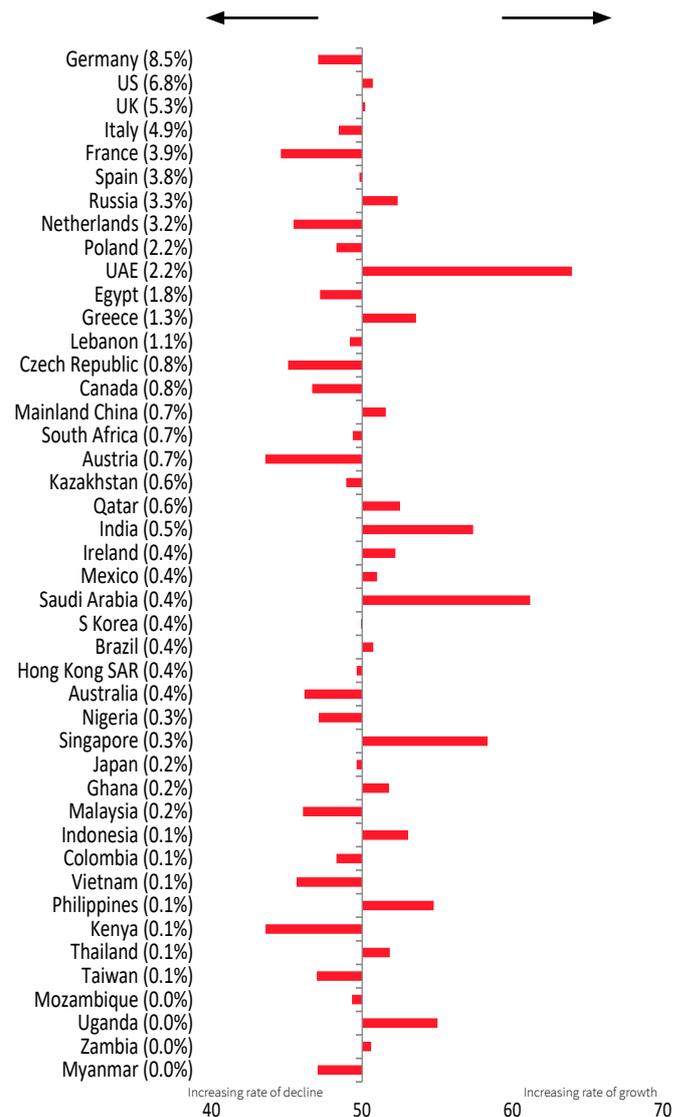
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Country rankings

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

sa, >50= growth since previous month



Sources: ICI, S&P Global 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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