



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate improves for first time in six months

KEY FINDINGS

ECI rises to 50.6 in January

Faster increase in output in the UK

UAE posts further rapid expansion

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Dec-23	49.7
Jan-24	50.6

The demand climate for Turkish manufacturing exporters strengthened for the first time since July 2023 in the opening month of the year amid further signs of recovery in a number of key export markets. There were still some pockets of weakness, however, particularly in continental Europe. Meanwhile, growth remained strong in the Middle East.

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 for the first time in six months during January. At 50.6, the index was up from 49.7 in December, but signalled only a modest improvement in demand conditions overall.

The renewed strengthening of the export climate in part reflected expanding output in three of the five largest export markets for Turkish manufacturers as Italy joined the US and UK in growth territory. Notably, the US and UK posted the fastest increases in activity in six and eight months respectively.

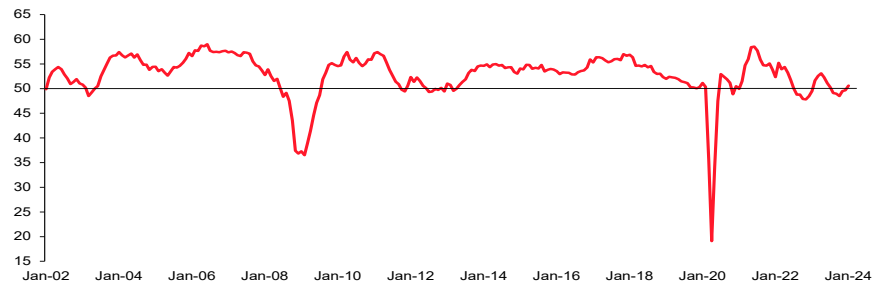
The single largest export market for Turkish manufactured goods - Germany - remained in contraction in January, however, seeing output decrease for the seventh month running and at a faster pace than in December. France also registered a further fall in output during the month. Between them, the two largest euro area economies account for around 13% of Turkish manufacturing exports.

Elsewhere in the eurozone, mixed trends were recorded. Output increased in Spain and Greece, but declined in the Netherlands and Austria.

Of all the countries covered by the report, the strongest increase in activity was

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





in the UAE, just ahead of India. Elsewhere in the Middle East, output rose sharply in Saudi Arabia and slightly in Qatar, but fell in Egypt and Lebanon. The Middle East economies covered by PMI data are the destination for roughly 7% of exports.

Russia continued to see activity rise in January, with the marked pace of expansion only slightly slower than in December. Further reductions in activity were seen in Poland, the Czech Republic and Kazakhstan, however.

Comment

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

“There is a definite sense of demand conditions in key export markets picking up, with the notable exceptions of Germany and France which remained under pressure at the start of the year. Signs of improvement in a range of markets hopefully means that Turkish manufacturers will be able to generate greater export sales over the months ahead.”

**For further information, please contact:
Istanbul Chamber of Industry**

Nesrin Akçay, Economic Research and Corporate Finance
Department Mng.

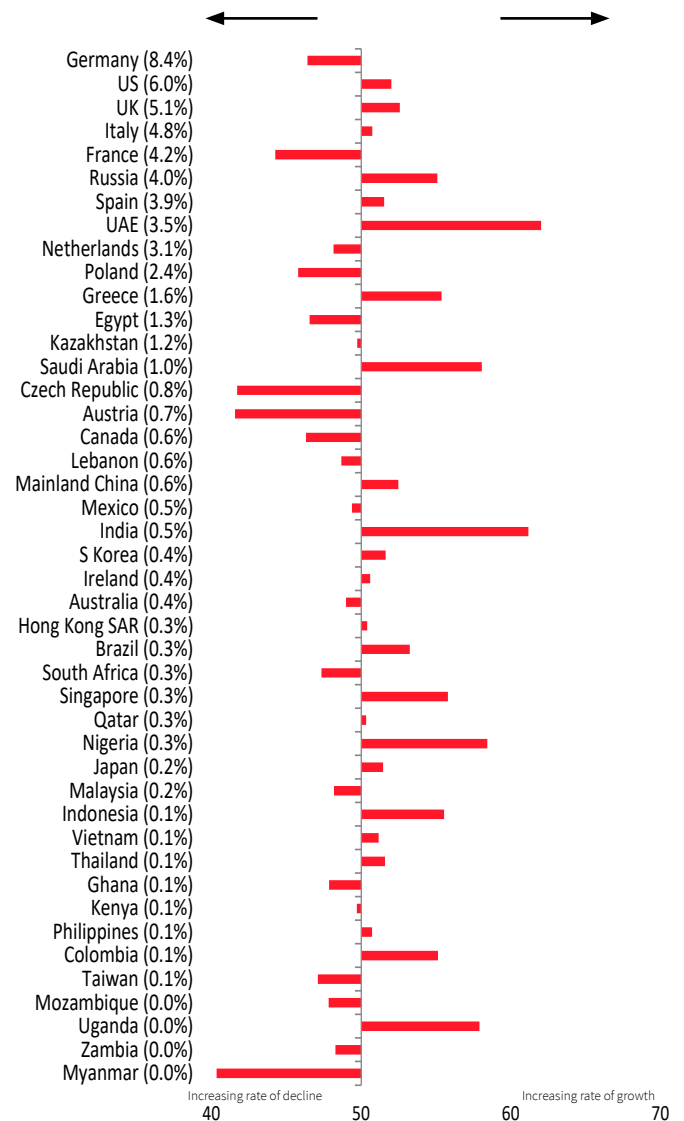
Telephone +90 212 252 29 00 Ext: 180

Email: nakcay@iso.org.tr

Country rankings

PMI Output Index (ordered by export weight in full-year 2023)

sa, >50= growth since previous month



Sources: ICI, S&P Global PMI.

S&P Global Market Intelligence

Andrew Harker, Economics Director

Telephone +44 1491 461 016

Email: andrew.harker@spglobal.com



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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