



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Stronger improvement in export climate



KEY FINDINGS

ECI rises to 51.3 in August

US sees further marked expansion of output

Germany remains in decline

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

| | |
|--------|------|
| Sep-23 | 49.0 |
| Oct-23 | 48.5 |
| Nov-23 | 49.5 |
| Dec-23 | 49.7 |
| Jan-24 | 50.6 |
| Feb-24 | 51.1 |
| Mar-24 | 51.6 |
| Apr-24 | 52.3 |
| May-24 | 52.8 |
| Jun-24 | 51.6 |
| Jul-24 | 50.8 |
| Aug-24 | 51.3 |

Turkish manufacturers continued to see export demand conditions improve midway through the third quarter, with most of the country's key export markets recording improvements in business activity. Bucking the wider trend, however, Germany saw output decrease again.

The 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.

As has been the case in each month of 2024 so far, the Istanbul Chamber of Industry Türkiye Manufacturing Export Climate Index registered above the 50.0 no-change mark in August. Moreover, at 51.3, the index was up from 50.8 in July, signalling a more pronounced strengthening of the export climate midway through the third quarter of the year.

Most of the largest export destinations for Turkish manufacturers saw business activity increase in August, the exception being the biggest market, Germany, where output was down for the third month running. Moreover, the solid reduction in output was the strongest since March.

The US remained a key source of demand improvements. Output was up markedly in August, and at a slightly faster pace than in July.

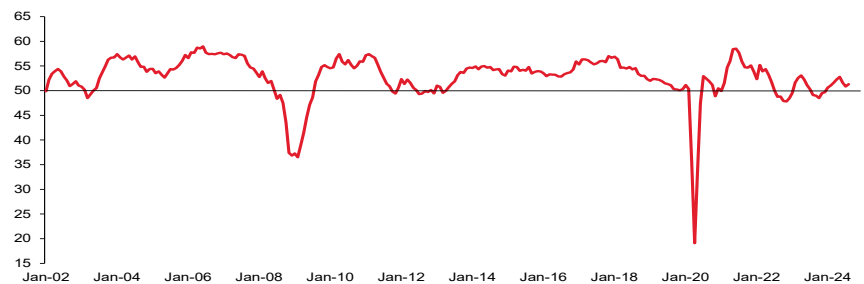
The UK also posted a faster expansion in activity, with the rate of growth quickening to a four-month high.

Meanwhile, renewed expansions in output were seen in France and Italy, which combined account for 9% of Turkish manufacturing exports. In particular, the rise in France was the first in 15 months and most pronounced since March 2023. Staying in the eurozone, Spain recorded a further solid increase in activity.

Central and Eastern Europe continued

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





to show signs of weakness midway through the third quarter, with falls in manufacturing production recorded in Romania, Poland, the Czech Republic and Austria.

Meanwhile, activity in Russia increased modestly for the second month running.

Parts of the Middle East were again good sources of demand, with the UAE and Saudi Arabia seeing non-oil business activity rise rapidly again in August. Growth was sustained in Qatar, while Egypt posted a first expansion in three years. Lebanon continued to see output decrease, however.

India posted the fastest increase in output of the countries and regions covered by PMI data in August as the rate of expansion remained substantial. At the other end of the scale, production in Myanmar fell to the largest extent in 20 months.

Comment

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

“August was generally a positive month in the key export destinations of Turkish manufacturers, the main exception being Germany which remained in the doldrums. This in turn contributed to weakness in Central and Eastern Europe. Firms will be hoping that renewed positivity in France and Italy is sustained, alongside the improving growth trends in large export destinations such as the US and UK.”

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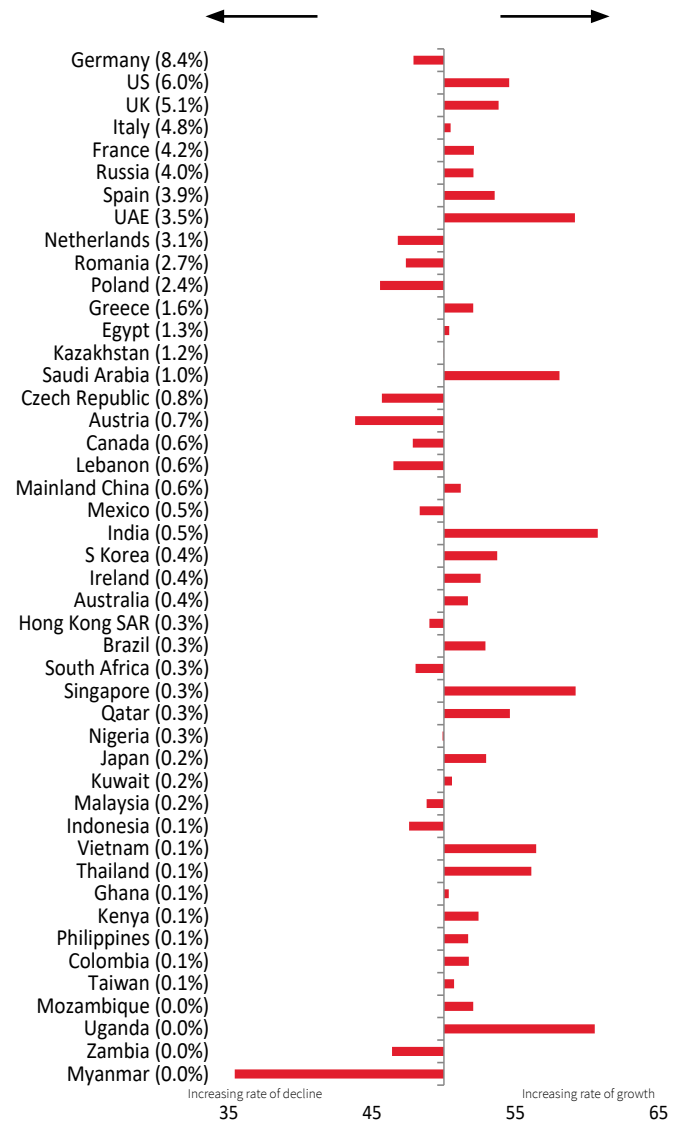
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Country rankings

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

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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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