



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate deteriorates to largest extent in 2023 so far

KEY FINDINGS

ECI down to 48.5 in October

Europe remains main source of weakness

Growth in US, Middle East and parts of Asia

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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

Turkish manufacturing exporters continued to face a challenging demand environment at the start of the final quarter of the year. As has been the case in recent months, the main source of weakness was Europe where a number of key export markets saw output moderate further. The US remained in growth territory, while parts of Asia and the Middle East were again key areas of expansion.

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 was below the 50.0 no-change mark for the third month running in October. Moreover, at 48.5, the index was down from 49.0 in September and pointed to the most marked deterioration in export

demand conditions in the year-to-date.

The ongoing economic weakness in Europe was a key determinant of the overall decline in export conditions. Seven of the ten largest destinations for Turkish manufacturing exports are in Europe, and all but one of these posted a reduction in business activity during October, the exception being Spain where output was unchanged.

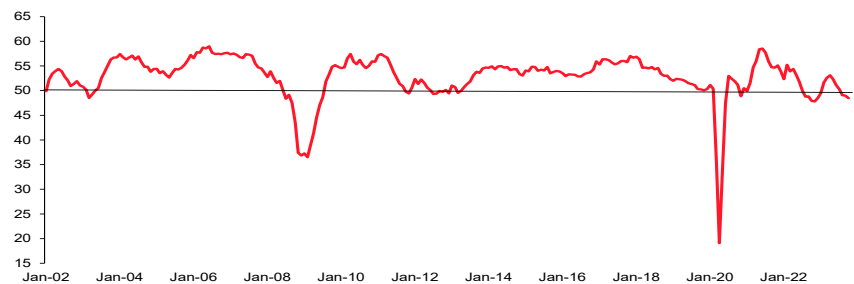
Activity in the UK decreased for the third month running, in Germany the decline was the fourth in a row, while Italy and France saw falls for the fifth successive survey periods.

The second-largest export market for Turkish manufactured products - the US - remained in growth territory in October. Although the rate of expansion was marginal, it was the fastest in three months.

Other sources of demand growth were often again found in the Middle East. The sharpest expansion overall was in the UAE, where the increase was the fastest

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





in four months.

Another of the main export markets is Russia, where output continued to rise solidly in October. Activity has now increased in each of the past nine months.

A number of the other areas of strength at the start of the final quarter were in Asia. Growth in India remained substantial, while Singapore, Indonesia and Philippines were also areas where there were notable rises in activity.

Comment

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

“Turkish manufacturing exporters were again impacted by the beleaguered European economy in October, with declines in activity among a number of key export markets meaning that the overall climate deteriorated. This was despite signs of resilience in the US, but also growth in parts of Asia and the Middle East. Manufacturers may therefore decide to put a focus on their search for new business on those parts of the world where economic health is more robust at present.”

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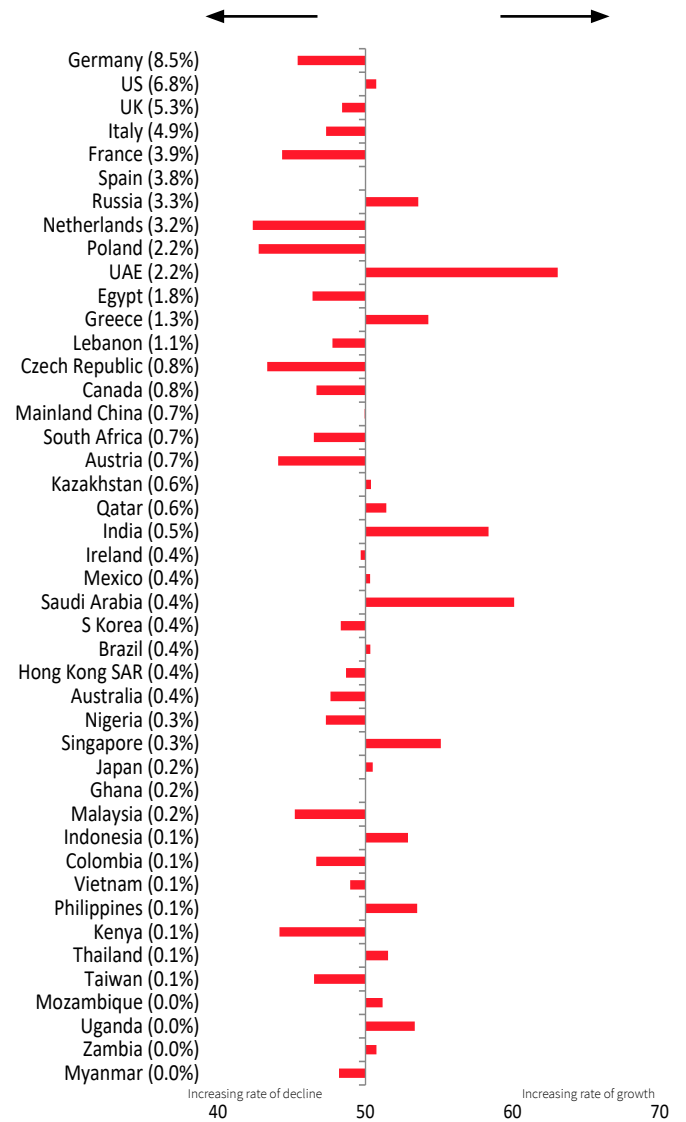
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Country rankings

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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