



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate improves to greatest extent in 13 months



KEY FINDINGS

ECI rises to 52.8 in May

Germany sees renewed rise in output

UAE leads growth

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

| | |
|--------|------|
| 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 |
| Feb-24 | 51.1 |
| Mar-24 | 51.6 |
| Apr-24 | 52.3 |
| May-24 | 52.8 |

The rate of improvement in the export climate for Turkish manufacturers continued to strengthen in May and was the most pronounced in just over a year. Improving demand conditions were seen across a wide range of trading partners, with weakness generally confined to some central European economies.

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.

The Istanbul Chamber of Industry Türkiye Manufacturing Export Climate Index posted 52.8 in May, up from 52.3 in April. The index pointed to a solid monthly strengthening of demand conditions in export markets, with the rate of improvement quickening for the fourth consecutive month to the most pronounced since April 2023.

Germany, which is the destination for around 8% of Turkish manufacturing exports and is the largest single market, saw business activity return to growth for the first time in a year during May.

Other key eurozone economies such as Italy, Spain and the Netherlands all recorded sustained expansions in output. France was the only one of the top 10 export markets to see business activity fall, with output down for the twelfth month running.

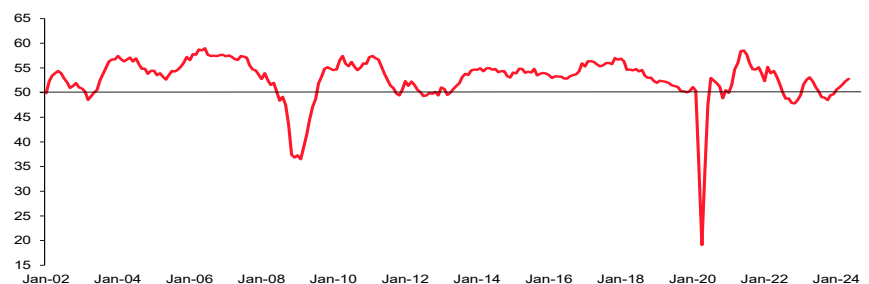
Looking at the picture in Europe outside the euro area, increases in activity were seen in the UK, Russia and Romania, but there remained some signs of weakness in parts of central Europe such as Poland and the Czech Republic.

In the US, which accounts for 6% of Turkish manufacturing exports, business activity rose for the sixteenth consecutive month, and at the fastest pace since April 2022.

The strongest increase in activity of all the countries covered by the index was

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





seen in the UAE. Other parts of the Middle East also posted marked growth in May, with Saudi Arabia, Qatar and Kuwait all seeing output rise sharply. Egypt and Lebanon continued to see business activity decrease, however.

India remained one of the strongest growth areas in the global economy, seeing output rise sharply albeit at the slowest pace this year so far. That said, India accounts for less than 1% of Turkish manufacturing exports.

Comment

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

“The renewed expansion in output in Germany adds to the sense that conditions in international markets are on an upward trajectory at present, and should help to provide opportunities for Turkish manufacturers to secure greater new business from abroad over the coming months. Moreover, some of the key export markets for local firms are seeing business activity increase markedly.”

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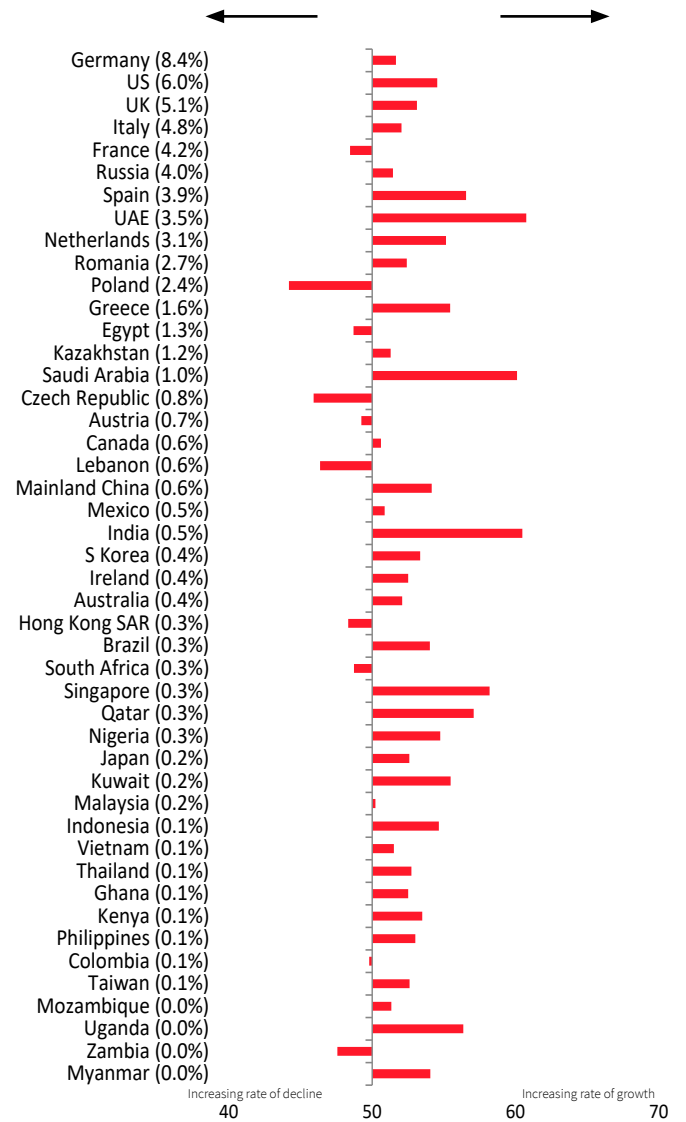
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Country rankings

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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