



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Export climate strengthens for tenth month running

KEY FINDINGS

ECI rises to 51.1

Output growth led by UAE

Germany and France record further declines

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Sep-24	50.5
Oct-24	51.1

Demand conditions in export markets for Turkish manufacturers improved again in October, continuing the trend seen in each month since the start of the year. Moreover, the export climate strengthened to a larger extent than in September amid output growth in a range of key markets, with the notable exceptions of the largest two eurozone 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 ticked up to 51.1 in October from 50.5 in September, signalling a modest improvement in the export climate and one that was more pronounced than in the previous survey period. Export demand conditions have now

strengthened in ten consecutive survey periods.

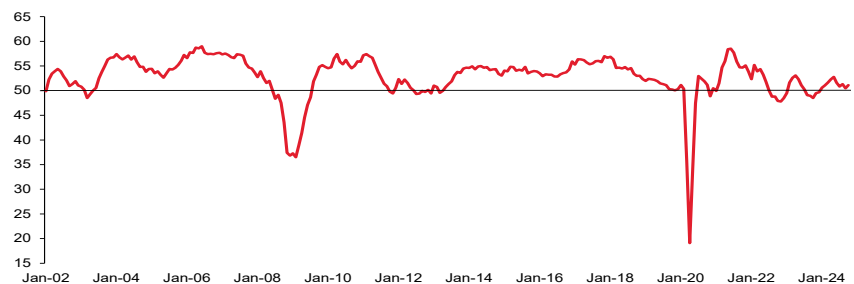
Although the overall export climate improved, business activity in the largest single export market - Germany - decreased for the fifth month running in October, albeit modestly. France was the other key destination to see a reduction in activity. Combined, these two economies account for close to 13% of Turkish manufacturing exports.

Elsewhere in Europe the picture was generally more positive. The UK saw sustained output growth, while the rate of expansion in Spain remained marked. A renewed increase in activity was seen in Italy, following a slight decrease in September.

The strongest expansion in business activity was seen in the UAE, where growth quickened to a six-month high and was rapid. Increases were also registered in Saudi Arabia, Qatar and Kuwait, but Egypt and Lebanon remained in contraction, the latter

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





posting the fastest reduction in output in 44 months.

The US, which accounts for 6% of Turkish manufacturing exports, saw business activity increase solidly again in October, extending the current sequence of growth to 21 months. Also in North America, Canada posted a first rise in output since May.

Of the other main export destinations, Russia recorded a modest increase in activity, but the Netherlands and Romania saw manufacturing production decline.

Meanwhile, the sharpest reduction in output of all the economies covered by the report was seen in Austria, where the rate of contraction was the steepest in 2024 so far.

Comment

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

“Despite the notable underperformance of Germany, the largest single export market for Turkish manufacturers, the overall export climate continued to improve, with a number of other key destinations recording growth of business activity and thus providing options for firms to secure international sales. The Middle East remained a key growth engine, while the US again saw output increase solidly despite a level of business uncertainty in the lead up to the Presidential Election.”

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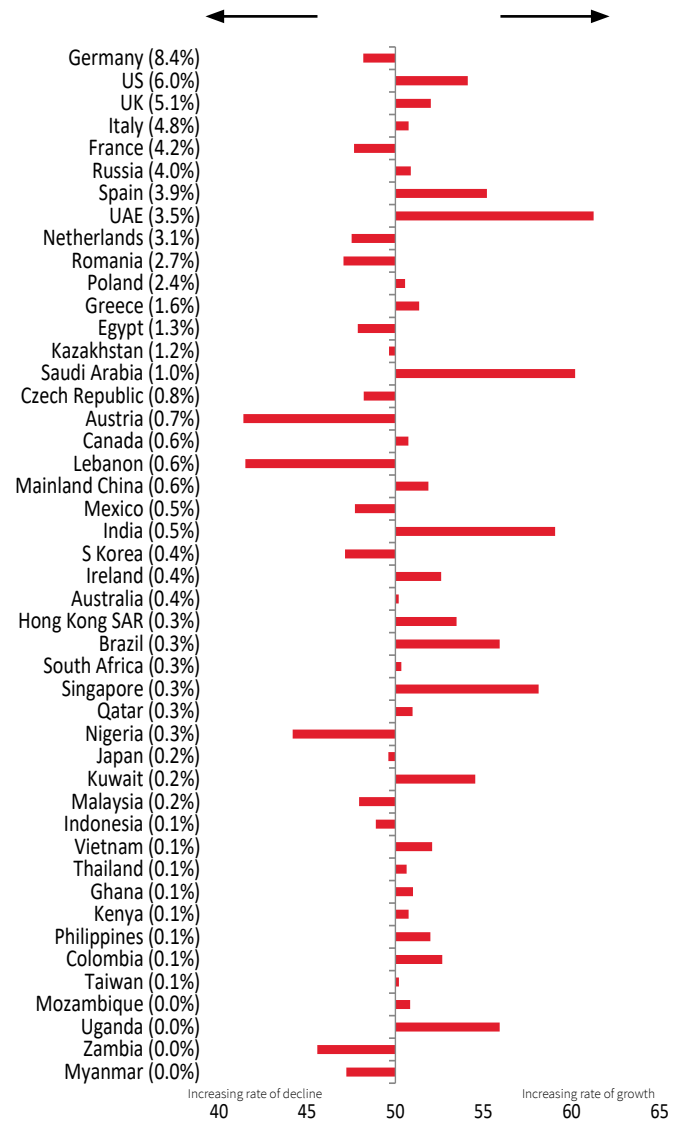
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Country rankings

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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