



ICI TÜRKIYE EXPORT CLIMATE INDEX

Istanbul Chamber of Industry

Manufacturing export climate continues to improve



KEY FINDINGS

ECI rises to 50.9

Strong expansions in the Middle East

US output increases at fastest pace since April 2022

TÜRKIYE MANUFACTURING ECI



LAST TWELVE MONTHS

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
Nov-24	50.6
Dec-24	50.9

The final month of 2024 saw a further improvement in the export climate for Turkish manufacturers. Strong growth was recorded in the Middle East, while the US saw business activity rise at the fastest pace in 32 months. The demand picture in Europe was more mixed, with some pockets of growth contrasting with declines elsewhere.

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 rose to 50.9 in December from 50.6 in November. The positive reading in the final month of 2024 completed a full calendar year of improving demand conditions in export markets. The latest strengthening of the climate was modest but more pronounced than in

November.

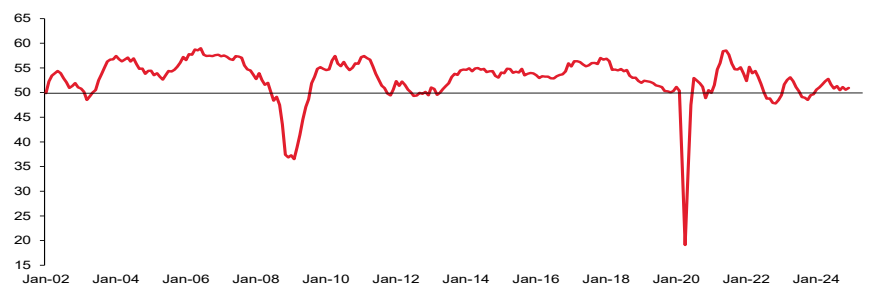
The strongest expansions in business activity of the countries covered by PMI data in December were seen in the Middle East. Saudi Arabia led the way, closely followed by the UAE where the pace of growth hit an eight-month high. Kuwait also posted a rapid rise in output, while the increase in Qatar was more modest. Elsewhere, reductions in activity were seen in Egypt and Lebanon. These six economies combined account for 7% of Turkish manufacturing exports.

The US, meanwhile, is the destination for 6% of manufacturing exports. Here, business activity increased sharply in December, with the pace of expansion accelerating for the third month running to the strongest since April 2022.

The performance of European economies was more mixed. Growth was recorded in the UK, Spain, Ireland, Greece, Kazakhstan and Russia, with both Spain and Greece seeing rates of expansion quicken in the final month of

Manufacturing PMI Export Climate Index

sa, >50= improvement since previous month





the year.

On the other hand, falling output was registered in Germany, France, Italy, the Netherlands, Romania, Austria, Poland and the Czech Republic. In fact, the fall in manufacturing production in Austria was the sharpest of all the areas covered by PMI data in December.

Mainland China and Brazil posted modest increases in business activity in December, while strong growth was maintained in India, where the rate of expansion was only exceeded by those seen in Saudi Arabia and the UAE.

Comment

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

“The strengthening of demand conditions in December meant that every month of 2024 saw an improvement in the export climate for Turkish manufacturers, but this positive overall picture masked contrasting trends across different parts of the world. The Middle East was a good source of growth during the year, while performance in the US was also positive, particularly in the second half of 2024. Demand in Europe has been less reliable, however, with weakness particularly evident in parts of the eurozone. As 2025 gets underway, Turkish firms will be hoping to see a more even demand environment across key trading partners.”

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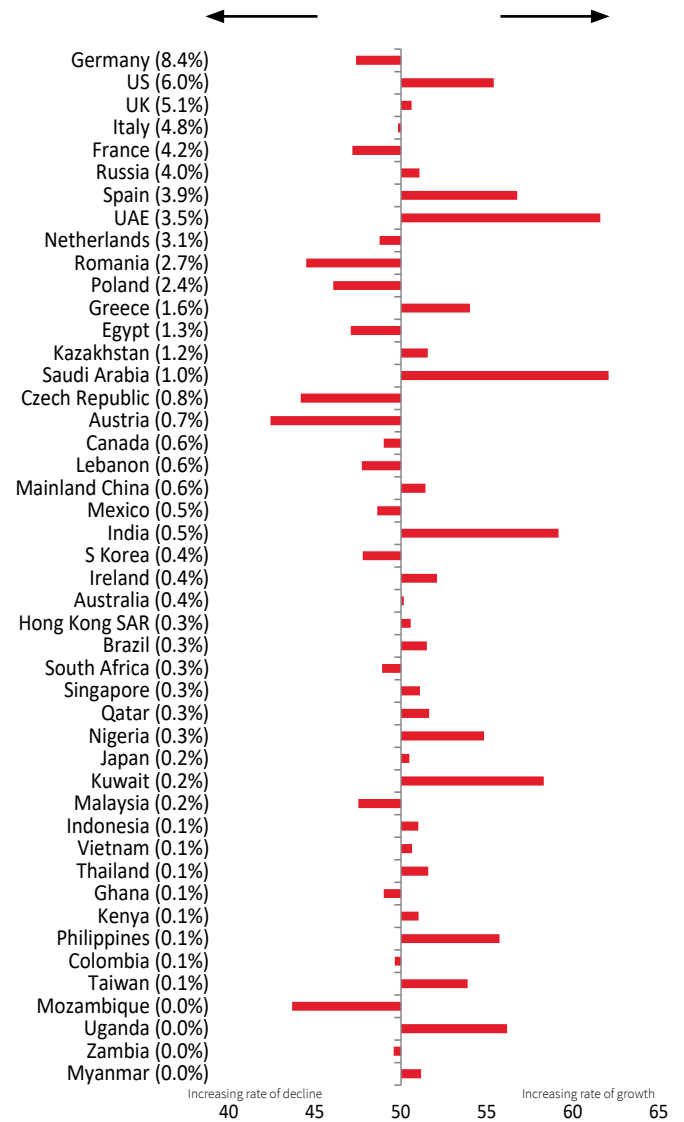
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Country rankings

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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