



Foreign Trade Balance - January 2013

Economic Research Division



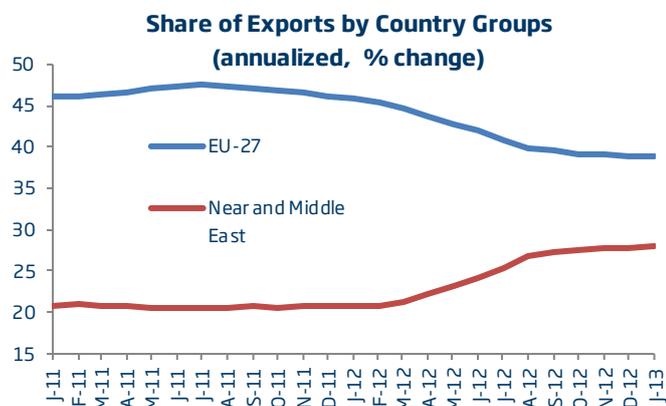
In January, foreign trade deficit increased slightly more than expectations.

According to data announced by Turkstat, in January, exports increased by 11.2% compared to the same month of the previous year and reached 11.5 billion USD. Imports also increased by 7.6% on annual basis to 18.8 billion USD in January. Thus, foreign trade deficit, which had been contracting for the last 14 consecutive months, increased by 2.4% and was realized as 7.3 billion USD, slightly above the market expectation. In January import coverage ratio rose by 200 basis points to 61.2% compared to the same month of the previous year.

Foreign Trade Balance	(USD billion)		
	January		Change
	2011	2012	(%)
Exports	10.3	11.5	11.2
Imports	17.5	18.8	7.6
Foreign Trade Balance	-7.1	-7.3	2.4
Import Coverage Ratio (%)	59.2	61.2	-

The share of Euro Area countries in exports continued to decline.

The weak course of the Euro Area economy continued to make a downward pressure on external demand. However, the declining tendency in the share of Euro Area countries in total exports has lost momentum and followed a relatively flat course in recent months. Similarly, the increase in the share of new export markets like Near and Middle East countries also lost momentum during the same period. This situation indicated that there will not be a substantial change in the share of exports by country groups in short term. According to the exports by country of destination, Germany, which ranked first in January, was followed by Iraq and UK. In addition, significant increase in exports to Russia and United Arab Emirates (UAE) was also noteworthy in January.



Foreign Trade by Countries - January 2013 (USD Million)

	Exports	Share (%)	Imports	Share (%)	
1 Germany	1,052	9.1	Russia	2,181	11.6
2 Iraq	884	7.7	China	1,979	10.5
3 UK	664	5.8	Germany	1,584	8.4
4 UAE	614	5.3	USA	1,177	6.3
5 Italy	543	4.7	Iran	1,027	5.5
6 Russia	540	4.7	Italy	887	4.7
7 France	458	4.0	France	644	3.4
8 USA	400	3.5	UK	496	2.6
9 Spain	333	2.9	Spain	431	2.3
10 Netherlands	318	2.8	UAE	394	2.1
Other	5,703	49.6	Other	8,000	42.6
Total	11,509	100	Total	18,800	100

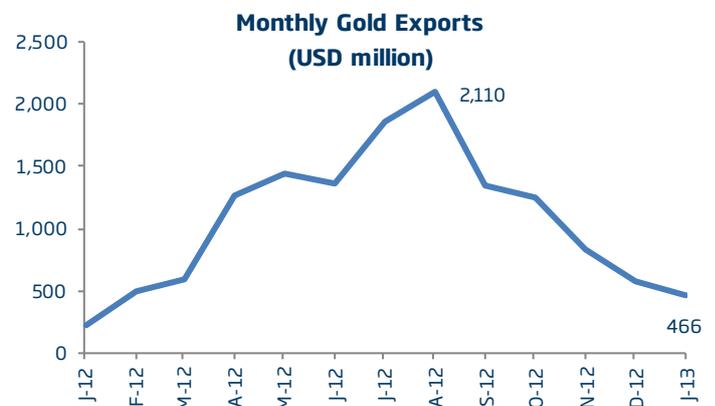
Regarding imports, Russia ranked as the first country in January due to the energy imports. Russia was followed by China. The imports from China increased by 24.3% in January compared to the same month of the previous year.

Diminishing impact of gold exports on total exports...

Gold exports, which reached 13.3 billion USD in 2012 and made significant contribution to the decline in foreign trade deficit, was realized as 466 million USD in January 2013. 80% of this amount was exported to UAE. Although this amount indicated a rapid increase in January 2013 compared to the same month of the previous year, gold exports in fact have slowed down in recent months considering 1.1 billion USD average monthly gold exports in 2012.

Rising tendency in imports of intermediate goods ...

Exports of intermediate goods and consumer goods increased in January. Thus, shares of the intermediate goods and consumer goods in total exports increased by 20 and 40 basis points to 39.3% and 51.2%, respectively compared to the same month of the previous year.



Source: Turkstat,

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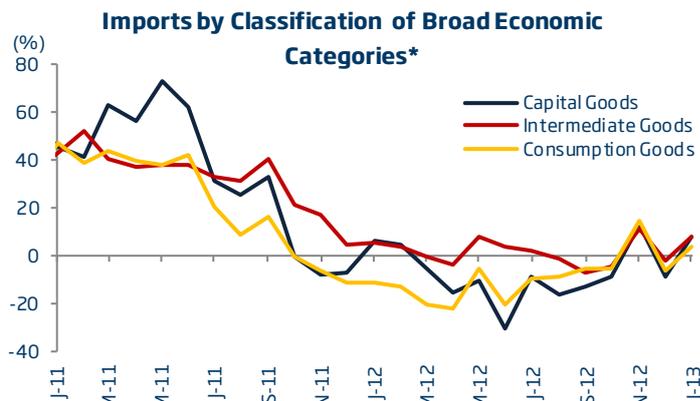
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As domestic demand exhibited a weaker performance than expected in recent period, the share of consumer goods in total imports decreased by 40 basis points compared to the same month of the previous year and was realized as 9.8% . On the other hand, 7.7% of increase in imports of intermediate goods during the same period pointed out a possible gradual recovery in domestic economic activity in the coming period.

Expectations...

Imports are expected to display an upward trend in 2013 in line with the recovery in the domestic demand. In this framework, we expect that the increase in foreign trade deficit recorded in January would continue in the forthcoming period.



Source: Turkstat

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