



Foreign Trade Balance - September 2013

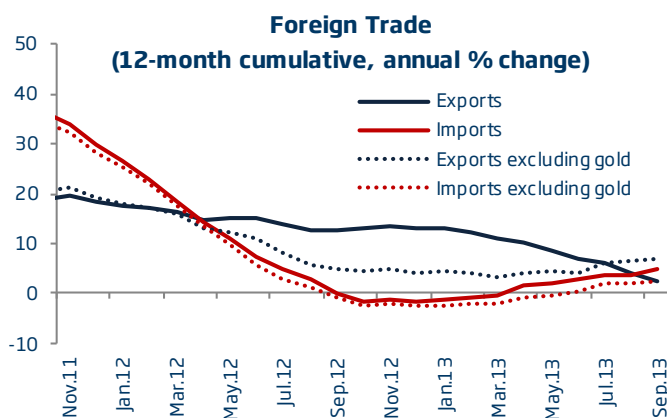
Economic Research Division

TÜRKİYE İSTATİSTİK KURUMU

Foreign trade deficit in September came in line with expectations.

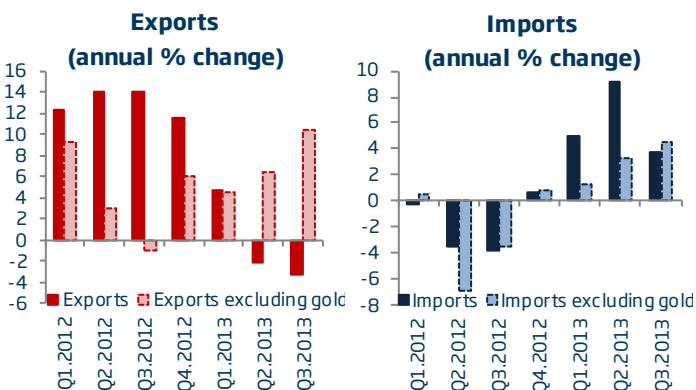
In September, exports increased by 1.3% to 13.1 billion USD compared to the same period of the previous year while imports volume rose by 3.5% to 20.6 billion USD. Thus, foreign trade deficit was realized as 7.5 billion USD in line with market expectations. Import coverage ratio, on the other hand, fell by 2.1 points to 63.6% compared to the same month of the previous year.

Regarding the first nine months of 2013, exports volume contracted by 0.4%, whereas imports increased by 6%. In the same period, foreign trade deficit increased by 17.3% and was realized as 75.1 billion USD.



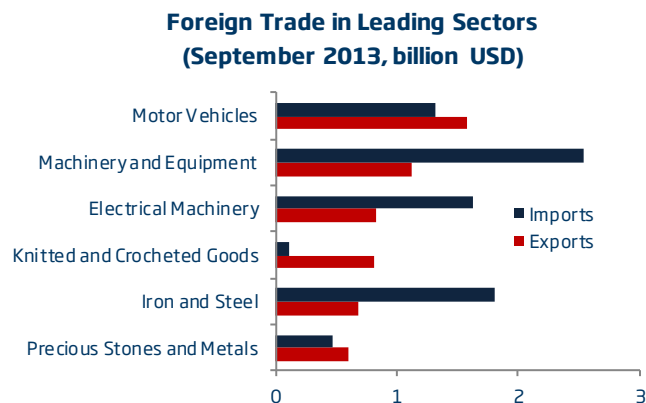
Foreign trade figures excluding gold...

Fluctuations in gold exports during 2012 and gold imports during 2013 create a need to analyze the foreign trade figures by excluding gold trade. In fact, excluding the gold trade, it is observed that in September 2013 exports and imports increased by 10.9% and 3.9%, respectively. In the first nine months of the year, excluding gold trade, exports rose by 7.0% while imports increased by 3.1%. In the same period, foreign trade deficit excluding gold fell by 2.9%. On the other hand, the gold exports and imports started to normalize recently. In September, gold imports fell to its lowest level of 2013 and the gold exports also remained low.



In September, the exports of motor vehicles increased by 38.1% on an annual basis, while the exports of iron and steel decreased by 21%.

The exports of motor vehicles, having the highest export volume in the first 9-months of 2013, recorded a sharp increase by 38.1% in September, on an annual basis. The exports of boilers, machinery and mechanical appliances, which registered the second highest export volume in the same period, rose by 14.1% in September, compared to the same month of the previous year. The exports of iron and steel, on the other hand, remained weak in September and decreased by 21% compared to the same month of the previous year.



	Foreign Trade Balance (USD billion)					
	September		Change (%)	January-September		Change (%)
	2012	2013		2012	2013	
Exports	13.0	13.1	1.3	112.9	112.5	-0.4
Imports	19.9	20.6	3.5	177.0	187.6	6.0
Foreign Trade Balance	-7.0	-7.5	7.6	-64.1	-75.1	17.3
Import Coverage Ratio (%)	65.0	63.6	-	63.8	60.0	-

Source: Turkstat

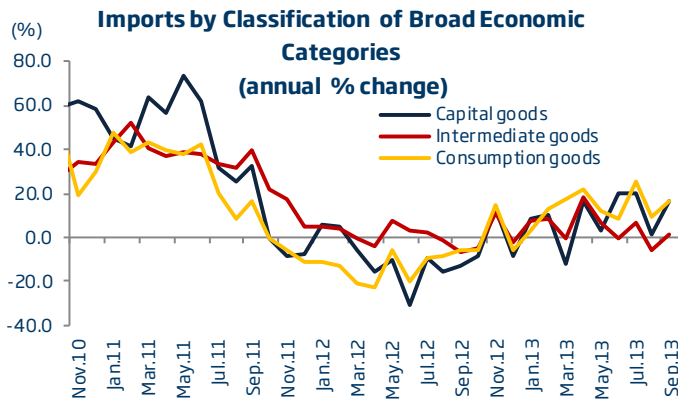
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In September, the imports of intermediary goods increased by 1.6%.

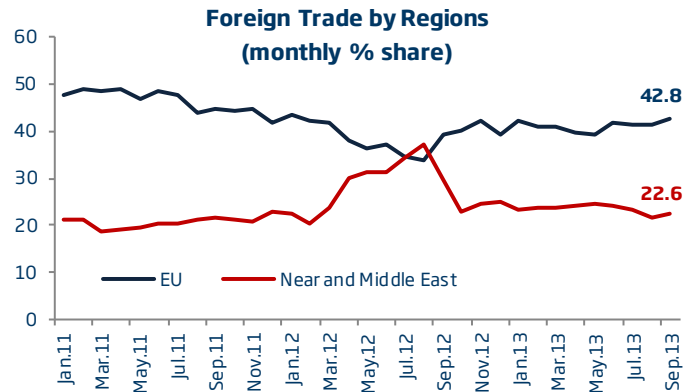
The imports of intermediary goods, constituting 73% of the total imports volume in the first nine months of the year, recorded a 1.6% yearly increase in September. After registering a relatively moderate rise by 9.6% in August, the imports of consumption goods increased by 16.5%, in September. On the other hand, the 25.3% annual increase in the imports of capital goods excluding transportation vehicles was noteworthy. In the first nine months of the 2013, the imports of capital, intermediary and consumption goods rose by 8.5%, 4.5% and 14.6%, respectively, compared to the same period of previous year.



The share of European Union countries in exports increased to the highest level since January 2012.

The share of European Union countries in total exports increased to 42.8% in September 2013, the highest level attained since January 2012. Compared to August, the share of EU countries increased by 1.5 points. In the same period, the share of Near and Middle Eastern countries in exports also increased by 1 point to 22.6%. On the other hand, the share of North African countries decreased to 5.5% mainly as a result of decline in Turkey's exports to Egypt due to the political problems in this country.

Analyzing our exports by countries, the biggest export market of Turkey was Germany. In terms of imports, China ranked first. In September, exports to Germany increased by



7.1% compared to the same month of the previous month while imports from China increased by 26.1% during the same period.

Expectations...

In September, the trade deficit was realized in line with expectations. Analyzing the foreign trade figures by excluding gold trade, the positive impact of the recent recovery in EU countries became more evident on exports. The fact that the Central Bank's tightening of the monetary policy will be kept till the inflation rate become consistent with targets might put pressure on domestic demand and the volume of imports in the coming period. On the other hand, the relatively favorable levels of economic activity in the EU countries would continue to affect the volume of exports positively. In addition, the normalization of trade relations with North African countries might also create a positive impact on the volume of exports.

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