



Foreign Trade Balance - November 2013

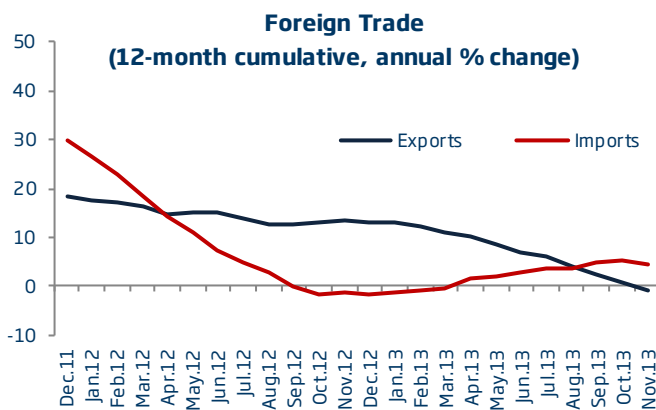
Economic Research Division



Foreign trade deficit in November came in lower than expected with 7.2 billion USD.

According to data released by Turkstat, in November exports increased by 3.6% to 14.3 billion USD compared to the same month of the previous year while imports increased by 2.2% to 21.4 billion USD. Hence, foreign trade deficit narrowed by 0.6% and was realized as 7.2 billion USD, below the market expectations. Import coverage ratio, which was 65.7% in November 2012, rose to 66.6% in November 2013.

As of January-November 2013, exports contracted by 0.8% compared to the same period of the previous year, whereas imports rose by 5.4%. During the same period, foreign trade deficit widened by 16.8% and reached 89.8 billion USD. Excluding gold trade, while exports increased by 6.5% in January-November period compared to the same period of the previous year, imports rose by 2.6%. Thus the foreign trade deficit excluding gold trade declined by 3.6% annually and was realized as 79.4 billion USD.



In November, exports of motor vehicles ranked first in total exports.

The exports of motor vehicles, which ranked first in total exports, increased by 25.6% in November compared to the same month of the previous year and were realized as 1.7 billion USD. The exports of boilers, machinery and mechanical appliances, having the second highest export volume, recorded an increase of 12.3% in the same period. The share of the said two chapters in total exports were at 19.7% in the January-November period. On the other hand, iron and steel exports,

which fell for the seventh month in a row, declined by 13.3% in the first eleven months of the year.

Share of imports of the intermediate goods in total imports declined.

The annual increase in the imports of intermediate goods were below the increase in total imports during the year. In November imports of the intermediate goods rose by only 1%. Thus, the share of the intermediate goods in total imports decreased by 1.1 points to 73.2% in January-November period.

The annual increase in the imports of consumption goods was realized as 9.8% in November. As of January-November period, imports of consumption goods increased by 13.5% on annual basis and their share in total imports increased by 0.9 point in the same period. On the other hand, increase in the imports of consumption goods decelerated during the last two months.

The imports of capital goods recorded an annual increase of 2.1% on annual basis. Annual increase in the imports of capital goods in January-November period was realized as 7.8% which was slightly above the annual increase in total imports.

The share of European Union in exports increased to 44.1% in November.

The share of European Union countries in Turkey's total exports increased by 2.1 points in November compared to the same month of the previous year and reached 44.1%. During the same period, the share of Near and Middle Eastern countries decreased by 1.8 points to 22.9%.

In terms of countries, Germany continued to be the biggest export market of Turkey in November with a share of 9.6%. Regarding imports, Russia ranked first in November with a share of 10.9%. Exports to Germany increased by 12.4% compared to the same month of the previous year while imports from Russia increased by 3.1%.

Expectations...

The recovery in global demand might create a positive impact on exports in the forthcoming period. Accelerated depreciation of TL during the last month of the year is also anticipated to limit the foreign trade deficit. Moreover, the new measures taken by BRSA and CBRT are expected to create a downward pressure on domestic demand and therefore on imports volume.

	Foreign Trade Balance		Change (%)	(USD billion)		
	November			January-November		Change (%)
	2012	2013		2012	2013	
Exports	13.8	14.3	3.6	139.9	138.7	-0.8
Imports	20.9	21.4	2.2	216.7	228.5	5.4
Foreign Trade Balance	-7.2	-7.2	-0.6	-76.9	-89.8	16.8
Import Coverage Ratio (%)	65.7	66.6	-	64.5	60.7	-

Source: Turkstat

Foreign Trade Balance - November 2013

Economic Research Division

**Türkiye İş Bankası A.Ş. - Economic Research Division****İzlem Erdem - Manager**

izlem.erdem@isbank.com.tr

Alper Gürler - Unit Manager

alper.gurler@isbank.com.tr

Kıvılcım Eraydın - Economist

kivilcim.eraydin@isbank.com.tr

Erhan Gül - Economist

erhan.gul@isbank.com.tr

Bora Çevik - Economist

bora.cevik@isbank.com.tr

Eren Demir - Asst.Economist

eren.demir@isbank.com.tr

M. Kemal Gündoğdu - Asst.Economist

kemal.gundogdu@isbank.com.tr

Gamze Can - Asst.Economist

gamze.can@isbank.com.tr

LEGAL NOTICE

This report has been prepared by Türkiye İş Bankası A.Ş. economists and analysts by using the information from publicly available sources believed to be reliable, solely for information purposes; and they are not intended to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The views, opinions and analyses expressed do not represent the official standing of Türkiye İş Bankası A.Ş. and are personal views and opinions of the analysts and economists who prepare the report. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this report. All information contained in this report is subject to change without notice, Türkiye İş Bankası A.Ş. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report is copyright-protected. Reproducing, publishing and/or distributing this report in whole or in part is therefore prohibited. All rights reserved.