



Foreign Trade Balance - April 2015

Economic Research Division

TÜRKİYE İŞ BANKASI

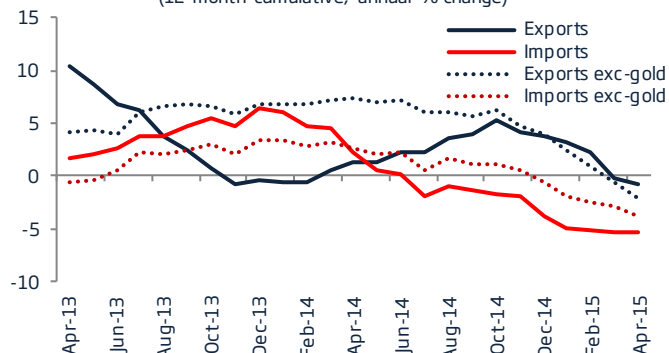
Foreign trade deficit narrowed in April.

In April export volume rose by 0.2% yoy while import volume decreased by 11.1% yoy. Thus, after having widened in March, foreign trade deficit narrowed in April once again. The foreign trade deficit fell by 31.9% compared to the same month of the previous year and was realized as 5 billion USD. During this period, the import coverage ratio rose to 73% from 64.7%.

Foreign trade deficit narrowed by 18% yoy in the first four months of the year due to the faster decline in imports compared to exports although exports posted an annual decrease.

Foreign Trade Figures

(12-month cumulative, annual % change)



Gold exports ranked first.

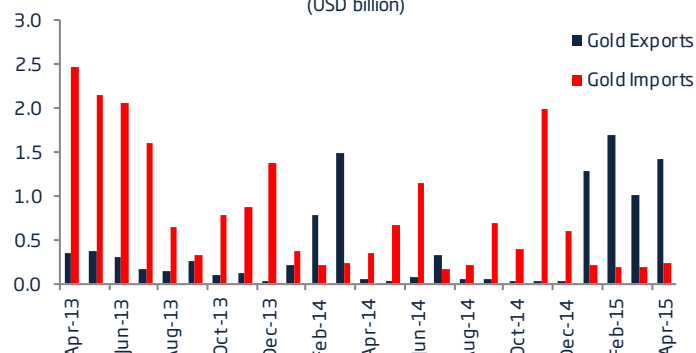
The downward trend observed in the majority of export items has also continued in April. However, the rise in gold exports kept its strong pace in April. In this period, gold exports, which were realized as 1.4 billion USD, made a significant contribution to the total export volume. Indeed, total export volume decreased by 10.2% yoy when gold exports excluded. In the first four months of the year, gold exports accounted for nearly 11% of total exports.

EUR/USD was influential on export performance.

Exports in dollar terms to the European Union (EU) countries, being Turkey's main export market, continued to drop in April. The fall in exports to the EU countries was

Gold Trade

(USD billion)



mainly driven by sliding EUR/USD parity. In fact, during January-April period, having declined by 7.8% yoy in dollar terms, exports to these countries rose by 13.6% yoy in euro terms. On the other hand, exports to the US maintained its upward trend in April, albeit losing some momentum. It was noteworthy that exports to Iran increased by 30.6% yoy during this period.

Import volume continued to decline.

Turkey's energy bill continued to fall on the back of the significant annual decline in oil prices. In this framework, imports of mineral fuels and oils, which have the highest share in total imports, dropped by 32% yoy in April. Aside from this, the drops in most of the other importing items were also worth mentioning. Nonetheless, the increases in imports of aircraft and parts, which more than doubled compared to the previous year, and motor vehicles, which posted a rise of 13.7% yoy, limited the said decline.

Expectations

Gold exports played an important role in total export growth throughout 2015. Yet, the current trend might not prevail in the middle and long term. The positive impact of oil prices on import volume might fade and disappear eventually in the second half of the year. In this context, foreign trade figures, which displayed a strong outlook in 2014, are expected to exhibit a weaker performance this year.

Foreign Trade Balance	(USD billion)					
	April		Change	Jan.-Apr.		Change
	2014	2015	(%)	2014	2015	(%)
Exports	13.4	13.4	0.2	53.5	50.5	-5.7
Imports	20.7	18.4	-11.1	78.1	70.7	-9.5
Foreign Trade Balance	-7.3	-5.0	-31.9	-24.6	-20.2	-18.0
Import Coverage Ratio (%)	64.7	73.0	-	68.5	71.4	-

Source: Turkstat, Datastream

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