



# Foreign Trade Balance - February 2016

Economic Research Division

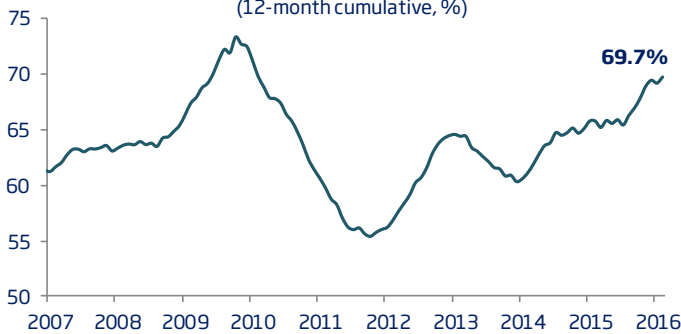


## Foreign trade deficit narrowed by 32.8%.

In February, export volume rose by 1.4% yoy and became 12.4 billion USD. In this period, the fall in import volume continued, but it lost momentum and was realized as 8.1%. Thus, foreign trade deficit declined by 32.8% yoy and came in at 3.2 billion USD in the second month of the year.

According to the 12-month cumulative figures, export volume increased slightly to 141.3 billion USD while import volume fell to 202.6 billion USD. Accordingly, import coverage ratio reached 69.7%, the highest level of the last 6 years. Low energy prices which put downward pressure on imports played a significant role in this development.

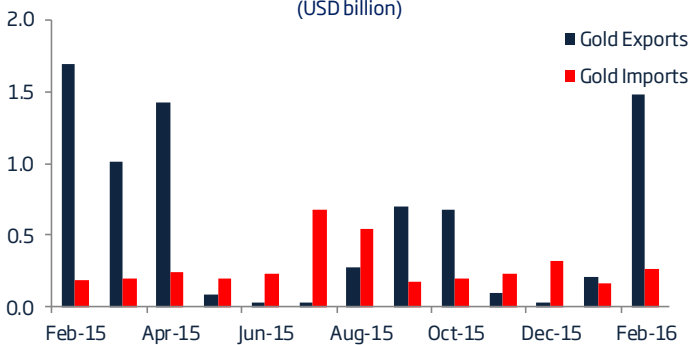
**Import Coverage Ratio**  
(12-month cumulative, %)



## Gold exports...

Despite falling by 9.1% in February compared to the previous year, precious stones and metals have been the biggest export item as their export volume amounted to 1.7 billion USD. In this period, exports of motor vehicles made also positive contribution to overall export performance,

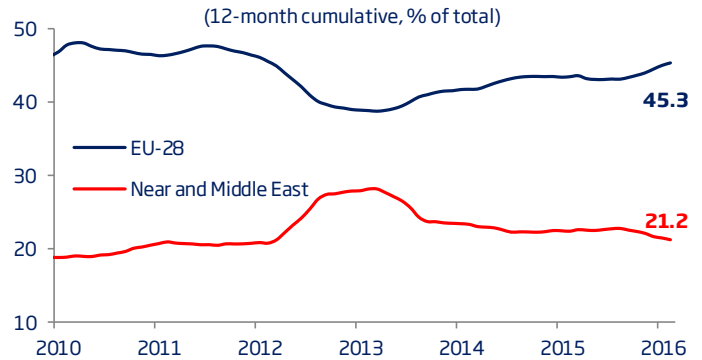
**Gold Trade**  
(USD billion)



rising by 17.4% yoy. In February, it was noteworthy that wearing apparels, one of the major export categories, posted an annual increase while the drop in exports of iron and steel was realized as 27.7% due to the sliding commodity prices and intensified global competition.

In line with the slightly recovering economic activity in the EU, exports to these countries displayed a positive outlook. In February, exports to the region surged by 10.8% yoy and reached 5.7 billion USD. 12-month cumulative figures revealed that exports to the EU countries climbed as high as 64 billion USD, equivalent to 45.3% of total exports. Exports to the Near and Middle Eastern countries, on the other hand, exhibited a weak outlook in the face of geopolitical developments.

**Major Export Markets**



## The downward trend in energy imports continued.

The annual fall in Turkey's imports amounted to 1.4 billion USD in February. Energy import volume also plunged by 1.5 billion USD. Imports of iron and steel posted a substantial drop in this period on the back of the low metal prices due to the global excess supply. However, the rises in imports of automotive and aircraft were worth mentioning.

## Expectations

The pace of economic activity in the EU, which has been the biggest export market of Turkey, continue to be important for export performance. On the other hand, geopolitical developments pose a downside risk to demand for exports. Recently, the relatively flat path of oil prices suggests that the ongoing drop in imports might lose momentum in the coming period.

## Foreign Trade Balance

	(USD billion)					
	February		Change	Jan.-Feb.		Change
	2015	2016	(%)	2015	2016	(%)
Exports	12.2	12.4	1.4	24.5	22.0	-10.5
Imports	16.9	15.6	-8.1	33.6	29.0	-13.6
<b>Foreign Trade Balance</b>	<b>-4.7</b>	<b>-3.2</b>	<b>-32.8</b>	<b>-9.1</b>	<b>-7.1</b>	<b>-22.0</b>
Import Coverage Ratio (%)	72.2	79.7	-	73.0	75.7	-

Source: Datastream, Turkstat

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