



Foreign Trade Balance - April 2016

Economic Research Division

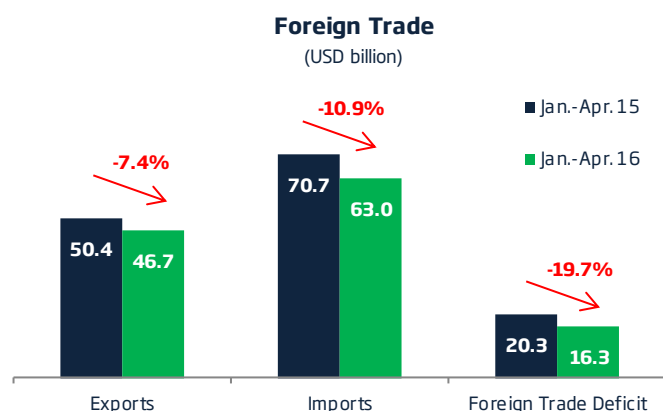
TÜRKİYE İŞ BANKASI

(USD billion)	April		Change (%)
	2015	2016	
Exports	13.3	12.0	-10.2
Imports	18.4	16.2	-11.9
Foreign Trade Balance	-5.0	-4.2	-16.3
Import Coverage Ratio (%)	72.7	74.0	-

Foreign trade deficit narrowed for the ninth consecutive month.

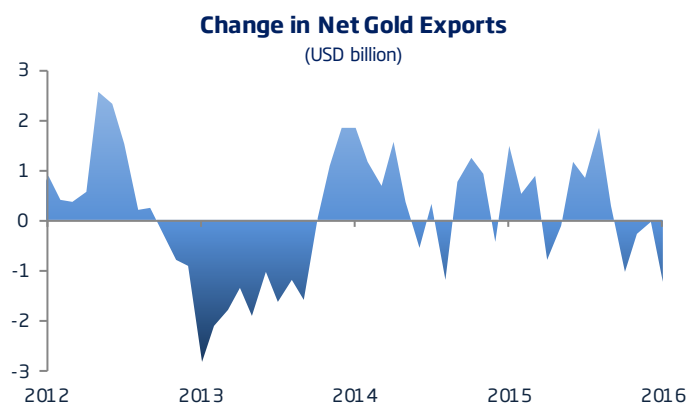
In April, export and import volume declined by 10.2% yoy and 11.9% yoy, respectively. Foreign trade deficit, resumed its downward trend for the ninth consecutive month, came in parallel to the market expectations. However, seasonally and calendar adjusted foreign trade deficit widened for the second month in a row due to the relative strength of the fall in exports versus imports.

During the first 4 months of the year, on the other hand, exports dropped by 7.4% yoy to 46.7 billion USD while imports plunged by 10.9% to 63 billion USD. Year-to-date foreign trade deficit, therefore, contracted by 4 billion USD on an annual basis.



Decline in exports was partly offset by the automotive, machinery and textile sectors.

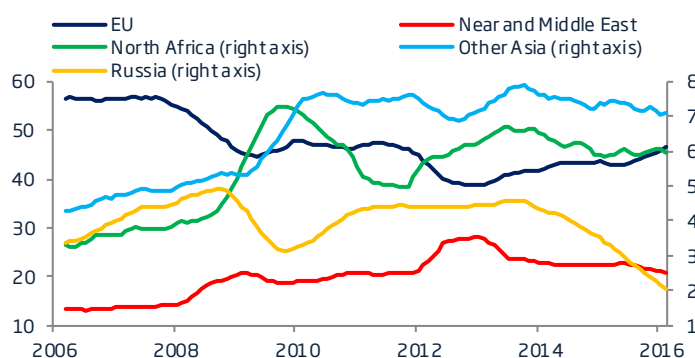
5 out of the first 10 export items in April supported the export performance. Motor vehicles, rising by 8.3% yoy, led these 5 items which, as a whole, have a 40% share in total



exports. Boilers and machineries, increasing by 8.2% yoy, followed motor vehicles. The surge of 10.8% yoy in the exports of knitted goods also provided a boost for the exports. Nonetheless, the shrinking exports of precious stones and metals in this period, quite mostly due to the fall in gold exports, pushed exports down by more than 1 billion USD. Besides, the fall in iron and steel exports gained speed and, in turn, weighed further on foreign trade outlook.

Leading Export Markets

(12-month cumulative, % share)



The upward trend in exports to the EU continued.

Exports to the EU countries rose by 7.5% yoy in April and became 5.7 billion USD. Hence, the share of these countries in total exports, which was 39.5% in April 2015, reached 47.3% in the same month of this year. On the contrary, trade relations with some of our export markets, like Russia and Iraq, with which problems have been experienced, continued to deteriorate. Having ranked 12th in April 2015 in export markets of Turkey, Russia dropped down to 22th place in the same period of this year. Exports to Iraq fell by over 20% yoy in April 2016, according to 12-month cumulative figures.

Machinery imports surpassed energy imports.

Imports of mineral fuels and oils, which have been declining annually for almost 2 years, came in below that of boilers and machinery. While imports of mineral fuels and oils dropped by 33.8% yoy in this period, boilers and machinery imports picked up by 5.7%. Moreover, imports continued to display a broad-based fall that has been heavily concentrated in intermediate goods.

The improvement in foreign trade deficit might continue to lose momentum.

The upward movements in oil prices together with the strength of foreign demand, especially the European demand, will be significant for the foreign trade outlook. While problems in our export markets such as Iraq and Russia are anticipated to prevail, the pace of the decline in imports is likely to lose steam somewhat due to firm domestic demand. Both of these developments might have an adverse impact on the foreign trade numbers in the forthcoming period.

Source: Datastream, Turkstat

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