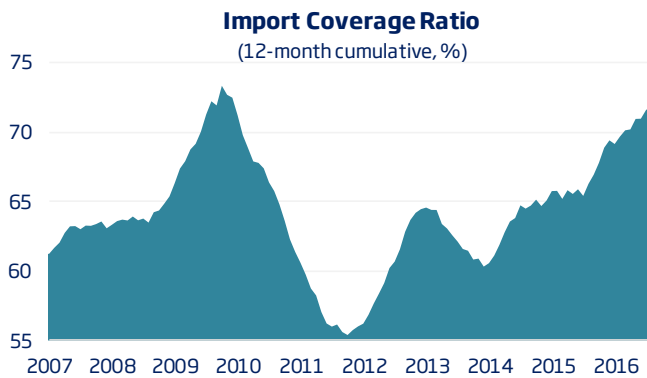


Foreign Trade Balance	(USD billion)		
	August		Change
	2015	2016	(%)
Exports	11.0	11.9	7.7
Imports	16.0	16.6	3.7
<b>Foreign Trade Balance</b>	<b>-4.9</b>	<b>-4.7</b>	<b>-5.3</b>
Import Coverage Ratio (%)	69.0	71.7	-

### Foreign trade deficit kept narrowing.

In August, export and import volume posted annual increases of 7.7% and 3.7%, respectively. As exports grew more than imports, foreign trade deficit continued to narrow. Thus, foreign trade deficit contracted by 5.3% in August compared to the same month of the previous year and was realized as 4.7 billion USD. Import coverage ratio rose by 2.7 points and reached 71.7%. According to 12-month cumulative figures, this ratio climbed to 71.8%, the highest level since 2009.



In January-August period, export volume fell by 2.4% compared to the same period of the previous year and became 93.3 billion USD. Import volume also decreased by 7.2% in the same period and came in at 130.8 billion USD.

### Sharp rise in automotive exports...

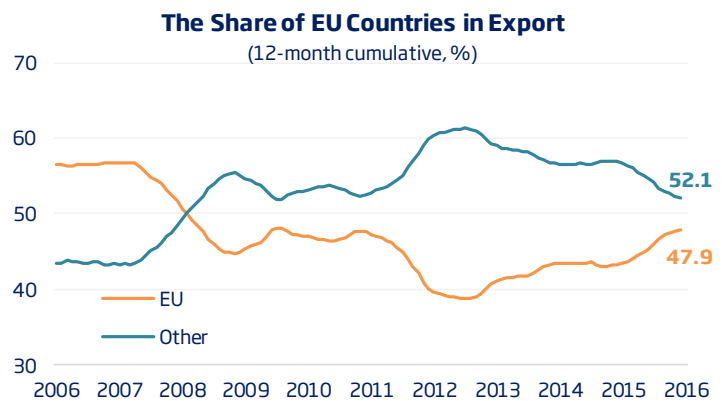
Exports of motor vehicles and precious metals kept their strong performance in August. Motor vehicles exports surged by 28.1% yoy and confirmed its place as the leading export industry in August. Exports of precious metals stand out with a rise of 39.2% yoy. Iron and steel exports, which had been displaying a weak performance due to low commodity prices, increased by 14.1% yoy in August. Electronic exports, on the other hand, continued to decline in this period.

According to the figures for the first 8 months, exports of motor vehicles posted an annual rise of 13%, ranking first in total exports. Precious metals and boilers and machineries followed motor vehicles in this period. Despite the fall in

export volume in the first eight months, it was noteworthy that top four export industries all recorded an annual rise.

### Ongoing increase in the share of the EU countries in total exports...

Germany was the largest recipient of Turkish goods in August. UK, Iraq and the US followed Germany. According to classification by country groups, EU continued to be the main export market of Turkey. The share of EU exports in our total exports became 47.9% as 12-month cumulative data suggested. This marked the highest ratio seen since April 2010.



### Fall in energy imports has decelerated.

Imports of mineral fuels and oils ranked first in total imports in August and imports of boilers and machineries sustained its strong performance. Fall in energy imports, due mostly to the lower oil prices, decelerated somewhat in this period.

According to broad economic classification, in the first 8 months of the year, only imports of capital goods increased on an annual basis. Particularly, intermediate goods imports declined by 10% yoy during this period.

Imports from China continued to surge in August accounting for 15.3% of total imports. The country held the first place in imports, being followed by Germany and Russia.

### Expectations...

After the fall in exports recorded in July, the August rebound came as a relief. The favorable impact of low commodity prices on foreign trade figures continued albeit to a decreasing extent. Also thanks to the support of the normalization process in relations with Russia, the mild course in foreign trade outlook is expected to prevail in the period ahead.

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

izlem.erdem@isbank.com.tr

**Alper Gürler - Unit Manager**

alper.gurler@isbank.com.tr

**Hatice Erkiletlioğlu - Asst. Manager**

hatice.erkiletlioglu@isbank.com.tr

**İlker Şahin - Economist**

ilker.sahin@isbank.com.tr

**Eren Demir - 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

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