

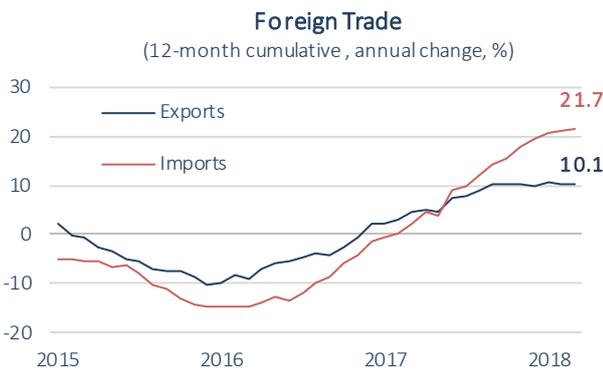


Foreign trade deficit was 6.7 billion USD in April.

Exports increased by 7.8% yoy to 13.9 billion USD in April while imports surged by 15.6% to 20.6 billion USD. In this period, foreign trade deficit became 6.7 billion USD, in line with the provisional data. The annual expansion in foreign trade deficit was 35.6% accelerating compared to previous month. In the first four months of the year, the deficit widened by 56.2% yoy.

(billion USD)	April		Change (%)
	2017	2018	
Exports	12.9	13.9	7.8
Imports	17.8	20.6	15.6
Foreign Trade Deficit	-4.9	-6.7	35.6
Import Coverage (%)	72.3	67.5	-

According to 12-month cumulative figures, exports rose by 10.1% yoy to 161 billion USD while imports increased by 21.7% to 248 billion USD. 12-month foreign trade deficit stood at 87 billion USD.



Declining in both February and March, seasonally and calendar adjusted foreign trade deficit expanded on a monthly basis in April. Imports increased by 1% mom in this period while exports contracted by 4.4%.

Rapid increase in exports of motor vehicles...

Exports of motor vehicles, the largest exporting item, recorded a rise of 27.1% yoy in April. This was the strongest increase seen in last nine months. Boilers-machineries and iron-steel exports also made large contributions to exports growth during this period. The said items surged by 22.3% yoy and 12.3% yoy, respectively. Among the top ten exporting items, only precious stones and metals experienced a fall in April.

Germany ranked first both in exports and imports.

Exports to EU countries increased by 22% yoy in April. According to 12-month cumulative figures, the share of

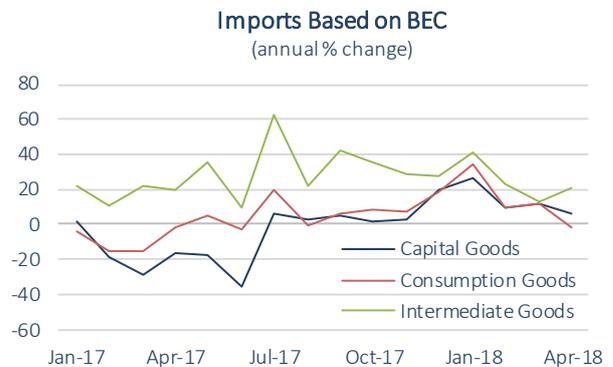
EU in our total exports rose to 48.9%, the highest since 2008. However, the share of Near and Middle Eastern countries maintained its downward trend and became 20.2%, according to 12-month cumulative figures. Germany ranked first in our imports with 2 billion USD as well as in our exports with 1.4 billion USD.

Energy and gold imports remained strong.

While imports of crude petroleum in tones have been declining on an annual basis since November 2017, energy imports continued to rise due to the surge in oil prices. In April, imports of mineral fuels and oils increased by 16%. Imports of precious stones and metals also continued to push foreign trade deficit up. Non-monetary gold imports surged by 19% yoy to 1.4 billion USD in April, somewhat lower than the average level of the last 12 months. Total gold imports in the last 12 months, on the other hand, became 19 billion USD.

Consumption goods imports declined in April.

Posting a solid increase of 20% yoy in April, imports of intermediate goods continued to lose steam according to three-month moving averages. The annual rise in capital goods imports declined to 6% in April, the lowest level in five months. Imports of consumption goods fell 1.4% yoy in this period after rising in the previous seven consecutive months.



Expectations for a more rapid export growth...

Oil prices, non-monetary gold imports and protectionist measures set off on a global scale continue to be the major potential risk factors for the foreign trade balance. On the other hand, depreciation of Turkish lira in real terms and supportive foreign demand could provide a boost to our exports. Against this backdrop, we believe that the risks on foreign trade performance will be relatively balanced in the coming months.

Economic Research Division

izlem Erdem
Chief Economist
izlem.erdem@isbank.com.tr

ilker Şahin
Economist
ilker.sahin@isbank.com.tr

Alper Gürler
Unit Manager
alper.gurler@isbank.com.tr

Gamze Can
Economist
gamze.can@isbank.com.tr

H. Erhan Gül
Asst. Manager
erhan.gul@isbank.com.tr

Ayşim Kalkan
Asst. Economist
aysim.kalkan@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>

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