



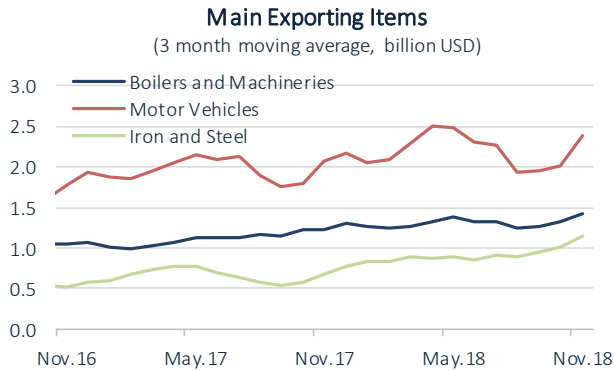
### Contraction of foreign trade deficit continued.

In November, export volume increased by 9.4% yoy to 15.5 billion USD while import volume declined by 21.3% to 16.2 billion USD. Falling for the sixth consecutive month, foreign trade deficit narrowed by 89.8% compared to the same period of the previous year. Import coverage ratio, which was 69.1% in November 2017, reached 96% in the same month of this year.

12-month cumulative foreign trade deficit continued to decline. 12-month cumulative export volume reached 168 billion USD, while import volume came in at 230 billion USD. Thus, 12-month foreign trade deficit was realized as 61.6 billion USD.

### Iron and steel exports kept increasing rapidly.

In November, motor vehicles and boilers and machineries continued to be the first two largest export chapters. Exports of these two items increased by 7.7% and 12.8% yoy, respectively. Iron and steel exports which have been following a strong course recently kept this performance by surging up by 49.7% yoy. Increase in iron and steel exports to US was remarkable in this period.



### Main export destinations...

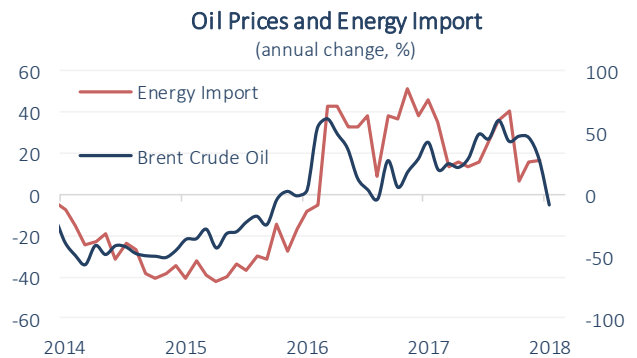
Germany continued to be the largest export market in November. UK and Italy followed this country. Having declined by 11.4% in January-October period export to Iraq recorded a strong increase with 36.8% in November. Analyzing the figures by country groups, exports to EU countries which increased by 10.9% yoy in November and 15% in January-November period, accounted for half of our total exports during this period.

Foreign Trade Figures	(billion USD)					
	November		Change (%)	Jan-Nov		Change (%)
	2017	2018		2017	2018	
Exports	14.2	15.5	9.4	143.1	154.2	7.7
Imports	20.5	16.2	-21.3	210.7	206.5	-2.0
<b>Foreign Trade Deficit</b>	<b>-6.4</b>	<b>-0.7</b>	<b>-89.8</b>	<b>-67.6</b>	<b>-52.3</b>	<b>-22.6</b>
Import Coverage (%)	69.1	96.0	-	67.9	74.7	-

Source: Datastream, Turkstat

### Energy imports declined in November.

In November, all of the top 10 import chapters declined on an annual basis. In this period, imports of mineral fuels (energy), the largest import chapter, decreased by 2.6% in line with falling domestic demand and oil prices. Motor vehicles and electrical machinery-equipment imports decreased by 48.8% and 40.0% yoy, respectively. Moreover, the ongoing falling trend in non-monetary gold imports was marked as a positive development regarding the foreign trade balance.



### Imports of consumption goods declined.

Due to the weak course in domestic demand, imports of consumption goods declined by 43.1% yoy in November, continuing the falling trend since April. In this period, the decline in consumption goods imports stemmed from the contraction in the domestic automotive market due to weakening demand for passenger cars. Imports of capital goods and intermediate goods decreased by 20.0% and 17.7%, respectively.

### Expectations...

In line with the slowdown in domestic demand, the decline in imports continued in November and the foreign trade deficit continued to contract rapidly. We foresee that the slowdown in economic activity and the decline in oil prices will continue to be effective in foreign trade balance and the declining trend in foreign trade deficit recorded in recent months will continue in December.

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