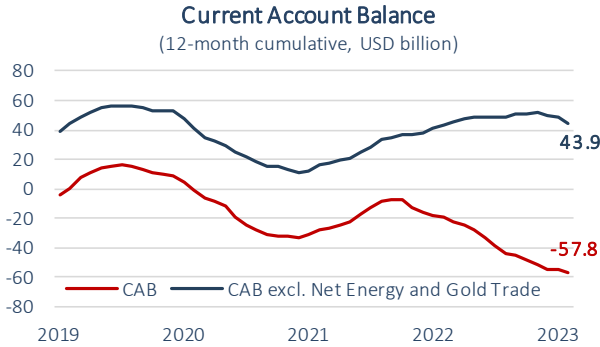




Foreign trade deficit became 8.7 billion USD in April.

According to Turkstat, exports recorded the fastest annual decline since the pandemic with 17.1% yoy and became 19.3 billion USD in April, while imports decreased by 4.8% to 28.1 billion USD. Thus, foreign trade deficit expanded by 42.1% yoy to 8.7 billion USD in this period. Import coverage ratio, which was 79.1% in April 2022, declined to 68.9% in the same month of 2023.



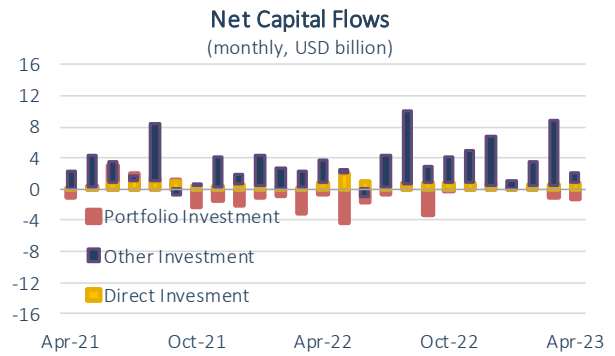
Current account deficit was above market expectations.

In April, current account deficit widened by 112.4% yoy and became 5.4 billion USD. Market expectation was 4.5 billion USD. Net gold imports, which was 428 million USD in April 2022, reached 1.1 billion USD in the same period of this year and played a decisive role in the deterioration of the current account outlook. However, in line with the downward course in global energy prices, net energy imports were 3.8 billion USD in April, the lowest level of the last 19 months. Thus, current account excluding gold and energy posted a deficit (481 million USD) for the first time since May 2021. The continued favorable course in transportation and travel revenues also limited the deterioration in the current account deficit. Widening by 46.4% yoy to 29.7 billion USD in January-April 2023 period, current account deficit became

57.8 billion USD as of April according to 12-month cumulative figures.

Foreign direct investments recorded the highest capital inflow since November 2022.

In April, net foreign direct investment inflows were realized as 784 million USD, the highest level since November 2022. In this period, non-residents' net direct capital investments displayed a positive performance with 933 million USD, while real estate investments were realized as 232 million USD, the lowest level since May 2021. In the first four months of the year, foreign direct investments was 1.9 billion USD.

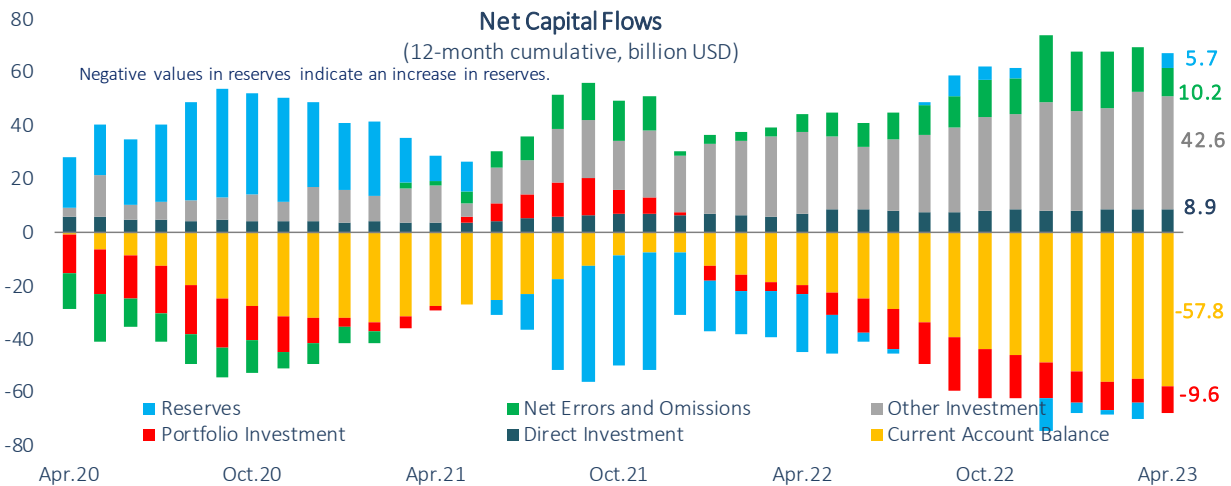


Portfolio investment outflows accelerated in April.

In April, portfolio investments recorded the highest capital outflow since September 2022 with 1.2 billion USD. In this period, the General Government realized net borrowing of 159 million USD through bond issues abroad, while banks and other sectors realized net repayments of 190 million USD and 800 million USD, respectively.

Moderate course in other investments...

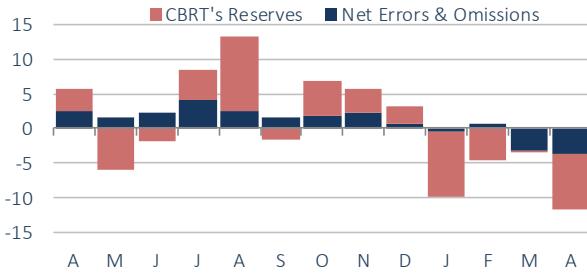
In April, other investments recorded a net capital inflow of 1.4 billion USD. In this period, foreign banks' deposits in Türkiye recorded a net increase of 142 million USD. The



Source: Datastream, Turkstat, CBRT

banking sector raised 289 million USD of net borrowings from abroad, while the General Government and other sectors repaid 22 million USD and 107 million USD net loans abroad, respectively. According to 12-month cumulative figures, long-term debt rollover ratio was 81% in the banking sector and 142% in other sectors.

CBRT Reserves and Net Errors and Omissions
(monthly, USD billion)



Capital outflows continued in net errors and omissions.

Net errors and omissions, which recorded a capital outflow of 3.2 billion USD in March, posted an outflow of 3.7 billion USD in April. Thus, net errors and omissions recorded a capital outflow of 6.7 billion USD in the first 4 months of the year. Reserve assets, which decreased by 8.2 billion USD in April, posted a total decline of 22.4 billion USD in January-April period.

Expectations...

According to preliminary data, exports increased by 14.4% yoy to 21.7 billion USD in May, while imports rose by 16% yoy to 34.3 billion USD. Thus, the foreign trade deficit continued its high course with 12.7 billion USD in May. Although the expected increase in tourism revenues in the summer season will support the current account balance, the weak course of the manufacturing sector in our main export markets, especially in Germany, which has entered a technical recession, keeps the risks on current account outlook alive.

Balance of Payments

	Apr. 2023	Jan. - Apr. 2022	2023	% Change	(USD million) 12-month Cumulative
Current Account Balance	-5,404	-20,309	-29,726	46.4	-57,804
Foreign Trade Balance	-7,016	-25,651	-36,341	41.7	-100,191
Services Balance	2,915	9,059	10,563	16.6	51,573
Travel (net)	2,198	7,310	8,420	15.2	38,427
Primary Income	-1,292	-3,223	-3,859	19.7	-9,220
Secondary Income	-11	-494	-89	-82.0	34
Capital Account	-8	-6	-58	866.7	-87
Financial Account	-9,096	-12,107	-36,478	201.3	-47,651
Direct Investment (net)	-784	-1,436	-1,905	32.7	-8,881
Portfolio Investment (net)	1,204	5,502	1,535	-72.1	9,561
Net Acquisition of Financial Assets	335	2,972	1,741	-41.4	3,264
Net Incurrence of Liabilities	-869	-2,530	206	-	-6,297
Equity Securities	-37	-1,185	-964	-18.6	-3,817
Debt Securities	-832	-1,345	1,170	-	-2,480
Other Investment (net)	-1,353	-11,724	-13,663	16.5	-42,646
Currency and Deposits	-914	-8,915	-8,862	-0.6	-35,926
Net Acquisition of Financial Assets	-76	2,225	2,670	20.0	-6,132
Net Incurrence of Liabilities	838	11,140	11,532	3.5	29,794
Central Bank	942	3,848	7,318	90.2	10,787
Banks	-104	7,292	4,214	-42.2	19,007
Foreign Banks	302	3,026	791	-73.9	5,394
Foreign Exchange	-160	2,938	2,005	-31.8	3,190
Turkish Lira	-246	1,328	1,418	6.8	10,423
Non-residents	142	5,964	2,796	-53.1	8,584
Loans	-85	-1,989	-853	-57.1	-2,635
Net Acquisition of Financial Assets	75	-540	-112	-79.3	140
Net Incurrence of Liabilities	160	1,449	741	-48.9	2,775
Banking Sector	289	-811	593	-	-4,252
Non-bank Sectors	-107	1,730	438	-74.7	6,804
Trade Credit and Advances	-373	-803	-3,951	392.0	-4,052
Other Assets and Liabilities	19	-17	3	-	-33
Reserve Assets (net)	-8,163	-4,449	-22,445	404.5	-5,685
Net Errors and Omissions	-3,684	8,208	-6,694	-	10,240

Source: Datastream, Ministry of Trade, CBRT

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