



**In February, foreign trade deficit narrowed by 44.2% yoy.**

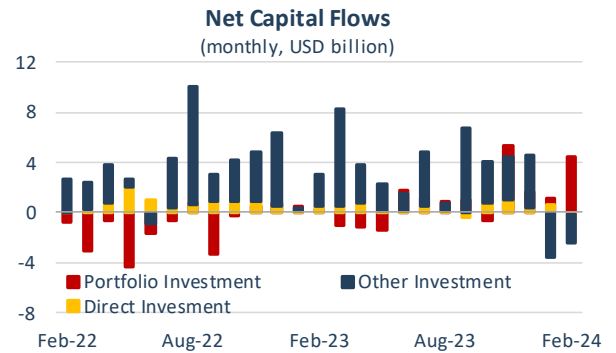
According to Turkstat data, exports increased by 13.6% yoy to 21.1 billion USD in February, while imports decreased by 9.2% yoy to 27.9 billion USD. Thus, foreign trade deficit narrowed by 44.2% yoy to 6.8 billion USD. The import coverage ratio, which was 60.5% in February 2023, rose to 75.7% in the same month of this year.

**Current account deficit became 3.3 billion USD in February.**

In February, current account posted a deficit of 3.3 billion USD, slightly below market expectations. According to the Reuters survey, the current account deficit expectation for this period was 3.7 billion USD. In February, balance of payments-defined foreign trade deficit narrowed by 55% yoy, while services revenues rose by 10% yoy on the back of travel revenues, improving the current account balance outlook. In this period, current account surplus excluding gold and energy was realized as 2.1 billion USD. 12-month cumulative current account deficit continued to decline in February, falling to 31.8 billion USD, the lowest level since July 2022.

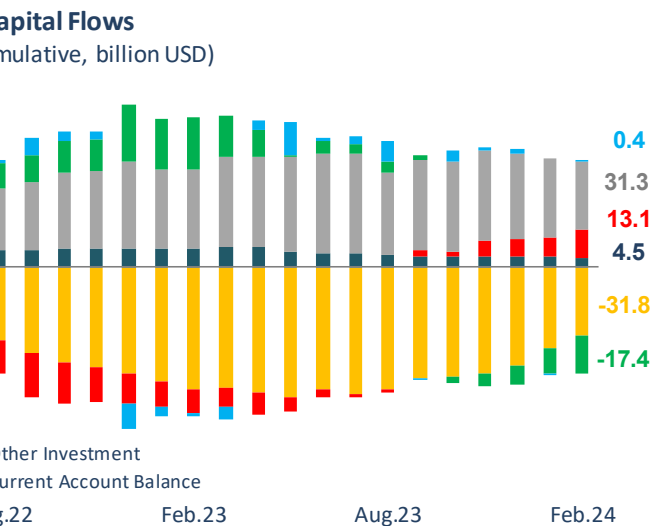
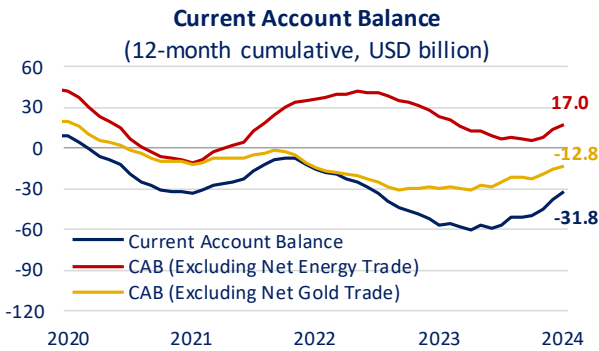
**Net direct investments recorded an outflow of 142 million USD.**

In February, net direct investments recorded a capital outflow of 142 million USD for the first time since September 2023. It was noteworthy that net liability in direct investments was realized as 240 million USD, the lowest level since June 2020. This development was mainly driven by the fact that net real estate investments realized as 152 million USD, the lowest level since June 2020, and net capital investments in Türkiye realized as 202 million USD, the lowest level of the last 5 months.



**Capital inflows in portfolio investments accelerated in February.**

In February, portfolio investments recorded the highest capital inflow since November 2023 with 4.4 billion USD. Bond issuances abroad of 3 billion USD by general government, 2.7 billion USD by banks and 500 million USD by other sectors were the main drivers of the favorable outlook in portfolio investments in this period. On the other hand, non-residents made 136 million USD net sales in the equity market in February.



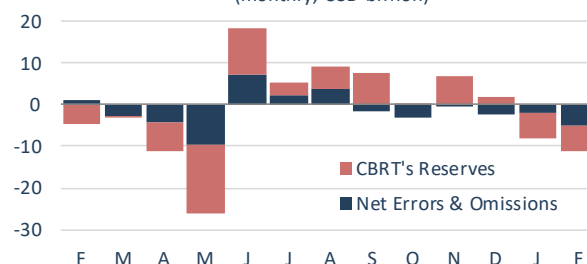
Source: Datastream, Turkstat, CBRT

**Capital outflows continued in other investments.**

Net capital outflow in other investments item that was initially seen in January, continued in February with 2.2 billion USD. In this period, currency and deposits recorded a capital outflow of 1.6 billion USD and nonresident banks' currency and deposits in domestic correspondents decreased by 54 million USD for the first time since May 2023. In February, domestic banks' currency and deposits in foreign correspondent banks increased by 1.7 billion USD. In this period, banking sector and other sectors utilized net credits of 115 million USD and 265 million USD from abroad respectively, and general government realized net repayment of 138 million USD. As of February, 12-month cumulative long-term debt rollover ratio was 118% in the banking sector and 92.8% in other sectors.

**Reserve assets decreased by 6.2 billion USD.**

The decline in reserve assets that started in January, continued in February with 6.2 billion USD. Net errors and omissions recorded the highest capital outflow since May 2023 with 5 billion USD.

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

According to preliminary data released by the Ministry of Trade, exports fell by 4.1% yoy in March, and imports decreased by 5.7% in the same period. Although the foreign trade deficit continued to narrow in this period, the high course of consumption goods import indicate that domestic demand is still solid. The course of domestic demand will continue to determine the current account balance outlook in the coming months. Amid the recent geopolitical tensions, possible surges in energy and gold prices stand out as the most remarkable risk factors for current account outlook. On the other hand, indicating a recovery in portfolio inflows and reserves, recent data imply that the improvement in financing of current account continued.

**Balance of Payments**

	Feb.	Jan. - Feb.		(USD million)
	2024	2023	2024	% Change
<b>Current Account Balance</b>	<b>-3,265</b>	<b>-19,461</b>	<b>-5,787</b>	<b>-70.3</b>
Foreign Trade Balance	-4,751	-23,157	-9,157	-60.5
Services Balance	2,381	4,980	5,172	3.9
Travel (net)	1,957	3,909	4,152	6.2
Primary Income	-849	-1,219	-1,710	40.3
Secondary Income	-46	-65	-92	41.5
<b>Capital Account</b>	<b>-9</b>	<b>-38</b>	<b>24</b>	<b>-</b>
<b>Financial Account</b>	<b>-8,256</b>	<b>-18,127</b>	<b>-12,648</b>	<b>-30.2</b>
Direct Investment (net)	142	-695	-519	-25.3
Portfolio Investment (net)	-4,415	-705	-5,505	680.9
Net Acquisition of Financial Assets	1,807	1,400	2,602	85.9
Net Incurrence of Liabilities	6,222	2,105	8,107	285.1
Equity Securities	-136	-671	50	-
Debt Securities	6,358	2,776	8,057	190.2
Other Investment (net)	2,247	-2,709	5,813	-
Currency and Deposits	1,552	577	3,478	502.8
Net Acquisition of Financial Assets	1,690	4,867	5,738	17.9
Net Incurrence of Liabilities	138	4,290	2,260	-47.3
Central Bank	43	1,084	105	-90.3
Banks	95	3,206	2,155	-32.8
Foreign Banks	-54	1,907	1,639	-14.1
Foreign Exchange	220	-111	214	-
Turkish Lira	-274	2,018	1,425	-29.4
Non-residents	149	1,299	516	-60.3
Loans	-2	-931	85	-
Net Acquisition of Financial Assets	240	-8	399	-
Net Incurrence of Liabilities	242	923	314	-66.0
Banking Sector	115	268	1,072	300.0
Non-bank Sectors	265	909	-637	-
Trade Credit and Advances	701	-2,346	2,258	-
Other Assets and Liabilities	-4	-9	-8	-11.1
Reserve Assets (net)	-6,230	-14,018	-12,437	-11.3
<b>Net Errors and Omissions</b>	<b>-4,982</b>	<b>1,372</b>	<b>-6,885</b>	<b>-</b>
				<b>12-month Cumulative</b>
				<b>-31,839</b>
				<b>-72,885</b>
				<b>52,207</b>
				<b>41,267</b>
				<b>-11,709</b>
				<b>548</b>
				<b>-143</b>
				<b>-49,350</b>
				<b>-4,489</b>
				<b>-13,127</b>
				<b>4,189</b>
				<b>17,316</b>
				<b>2,108</b>
				<b>15,208</b>
				<b>-31,288</b>
				<b>-21,039</b>
				<b>4,590</b>
				<b>25,629</b>
				<b>12,533</b>
				<b>13,096</b>
				<b>9,924</b>
				<b>7,468</b>
				<b>2,456</b>
				<b>3,172</b>
				<b>-9,990</b>
				<b>-1,253</b>
				<b>8,737</b>
				<b>8,198</b>
				<b>-255</b>
				<b>-313</b>
				<b>54</b>
				<b>-446</b>
				<b>-17,368</b>

Source: Datastream, Ministry of Trade, CBRT

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