



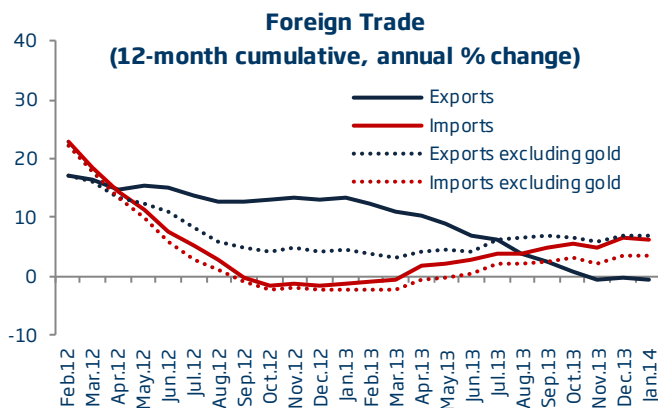
## Foreign Trade Balance - January 2014

Economic Research Division

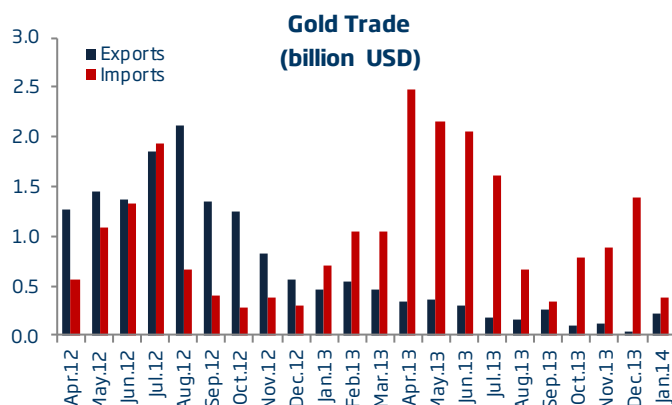


**In the first month of the year, exports and imports increased by 8.6% and 2.6%, respectively.**

In January 2014, Turkey's exports recorded the highest increase of the last 12 months. Exports rose by 8.6% compared to the same month of the previous year and were realized as 12.5 billion USD. Imports, on the other hand, increased by 2.6% and was realized as 19.3 billion USD in the same period. As the exports increased faster than imports, foreign trade deficit decreased compared to the same month of the previous year for the first time after nine months and came in 6.8 billion USD, slightly below the expectations. In parallel with a narrowing trade deficit, the import coverage ratio increased by 3.6 points compared to the same month of the previous year and reached 64.7%.



Seasonally and calendar adjusted data revealed that foreign trade figures displayed a favorable outlook in January 2014. In fact, the data indicated that exports grew by 4.5% while



	(USD billion)		
	January		Change
	2013	2014	(%)
Exports	11.5	12.5	8.6
Imports	18.8	19.3	2.6
<b>Foreign Trade Balance</b>	<b>-7.3</b>	<b>-6.8</b>	<b>-6.8</b>
Import Coverage Ratio (%)	61.1	64.7	-

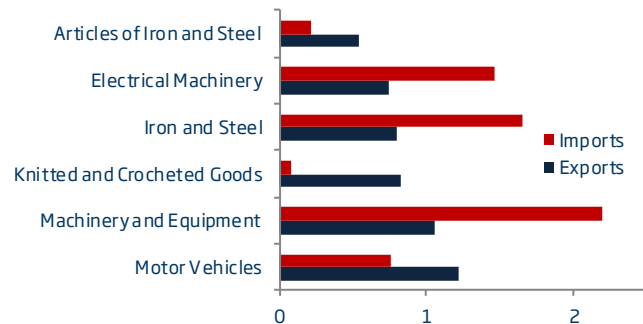
imports dropped by 1.2% in January compared to the previous month.

The gold trade, which became influential on foreign trade deficit during the recent years, exhibited a relatively balanced outlook in January. During the first month of the year, gold exports and imports were 212 and 387 million USD, respectively. During 2013, on a monthly average basis, gold exports and imports were 279 million USD and 1.3 billion USD, respectively.

**In January, exports of motor vehicles increased by 12.4% annually.**

Motor vehicles exports, which ranked first in total exports, registered an annual increase of 12.4% and were realized as 1.2 billion USD in January. Following motor vehicles, machinery and equipment exports ranked second with 1 billion USD exports volume. Knitted and crocheted goods' exports ranked third.

**Foreign Trade in Leading Exporting Sectors**  
(January 2014, billion USD)



**Energy imports were 4.9 billion USD in January.**

Mineral fuels and mineral oil exports rose by 6.2% compared to the same month of the previous year and were realized as 4.9 billion USD in January. Constituting 25% of total imports, this item was followed by machinery and equipment with an import volume of 2.2 billion USD.

**The increase in consumption goods imports in January remained below the monthly average of 2013.**

In parallel with the depreciation of TL, the annual increase in consumption goods imports decelerated in January as

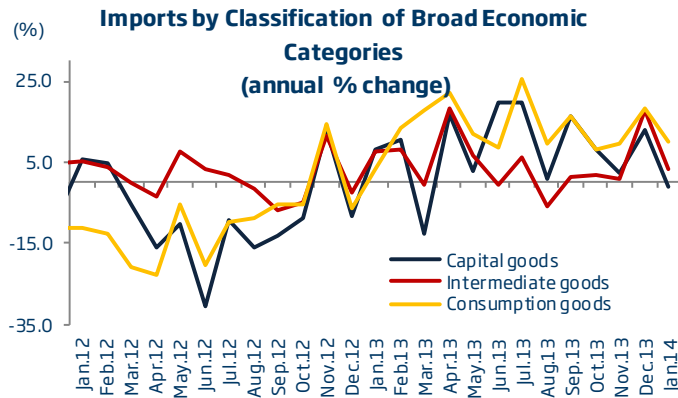


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expected and was realized as 10.1%, below 2013's monthly average increase. The capital goods imports decreased for the first time after nine months and declined by 1.2% in January compared to the same month of the previous year. On the other hand, intermediate goods imports, which are also an indicator of the export performance of Turkey, rose by 3.2%.



### The share of high technology products in total exports was 2.7% in January.

In January, the share of high technology products in total exports was 2.7% while medium technology products' share was 55.1%. On the other hand, the share of high technology products in total imports was realized as 10.1% in the same period.

### Exports to European Union increased by 13.7%.

In line with the recovery in economic activity in European Union countries, Turkey's exports to the region increased by

13.7% in January compared to the same month of the previous year and constituted 44% of Turkey's total exports. In January, Turkey's exports to Near and Middle Eastern countries, which have become one of Turkey's major trading partners in the last 10 years, also increased by 5.1% annually. However, the share of these countries in total exports decreased from 23.4% in January 2013 to 22.6% in January 2014.

According to Turkey's exports by countries, Germany continued to rank first in January with 1.3 billion USD of exports. Iraq followed Germany with 1.1 billion USD and UK ranked third with 783 million USD. Regarding imports, Russia ranked first with 2.4 billion USD. Russia was followed by China and Germany with 2.1 billion USD and 1.6 billion USD, respectively.

### Expectations...

The signs of recovery observed in developed economies recently, especially in the European Union countries, are expected to have positive impacts on foreign trade figures throughout 2014. The recent depreciation in TL will also support the increase in exports. Besides, Central Bank's dedication to the tight monetary policy implementation until an improvement in the inflation outlook emerges is anticipated to limit domestic demand and thus imports. As a result, we think that the foreign trade deficit will narrow in 2014 compared to 2013.

**Foreign Trade Balance - January 2014**

Economic Research Division

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

izlem.erdem@isbank.com.tr

**Alper Gürler - Unit Manager**

alper.gurler@isbank.com.tr

**Kıvılcım Eraydın - Economist**

kivilcim.eraydin@isbank.com.tr

**Erhan Gül - Economist**

erhan.gul@isbank.com.tr

**Bora Çevik - Economist**

bora.cevik@isbank.com.tr

**Eren Demir - Asst.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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