



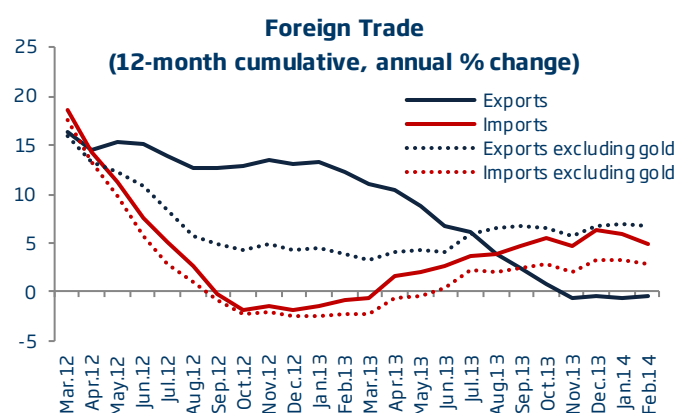
# Foreign Trade Balance - February 2014

Economic Research Division



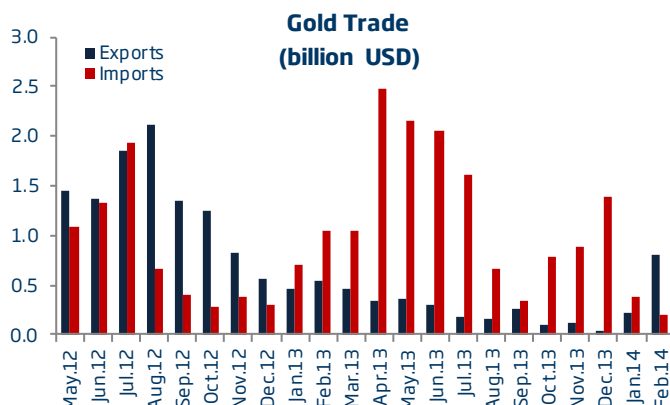
## In the second month of the year, exports increased by 6.2% and imports decreased by 5.9%.

The impacts of weakening domestic demand have been visible on foreign trade figures. Turkey's exports were realized as 13.2 billion USD (up 6.2% yoy) while imports were 18.3 billion USD (down 5.9% yoy) in February. Foreign trade deficit decreased yoy and came in 5.1 billion USD. In parallel with a narrowing trade deficit, the import coverage ratio increased by 8.2 points yoy and reached 72.1%. In the first two months of the year, exports also increased yoy while imports decreased. During the first two months, foreign trade deficit narrowed from 14.3 billion USD to 11.9 billion USD.



Seasonally and calendar adjusted data revealed that foreign trade figures displayed a favorable outlook in February 2014. In fact, the data indicated that exports grew by 4.5% mom while imports dropped by 2.9% mom in February.

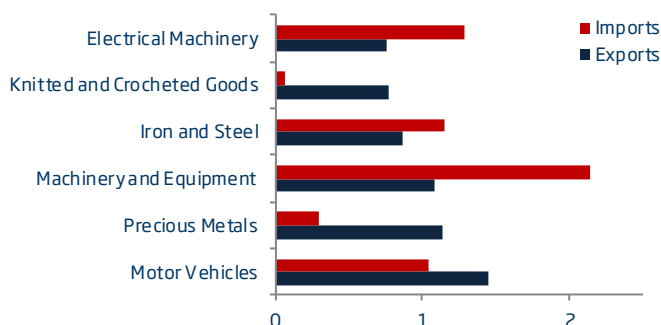
The gold trade, which became influential on foreign trade figures during the recent years, made a positive impact on trade deficit. During the second month of the year, gold exports and imports were realized as 797 and 209 million USD, respectively. During 2013, on a monthly average basis, gold exports and imports were 279 million USD and 1.3 billion USD, respectively.



## In February, exports of motor vehicles increased by 0.9% yoy.

Motor vehicles exports, which ranked first in total exports, were realized as 1.5 billion USD (up 0.9% yoy) in February. Following motor vehicles, precious metal and stones exports ranked second with 1.1 billion USD exports volume. Knitted and crocheted goods' exports ranked third.

### Foreign Trade in Leading Exporting Sectors (February 2014, billion USD)



## Energy imports were 4.6 billion USD in February.

Mineral fuels and mineral oil imports rose by 0.8% yoy and were realized as 4.5 billion USD in February. Constituting 24.9% of total imports, this item was followed by machinery and equipment with an import volume of 2.1 billion USD.

Foreign Trade Balance	(USD billion)					
	February		Change	January-February		Change
	2013	2014	(%)	2013	2014	(%)
Exports	12.4	13.2	6.2	23.9	25.6	7.2
Imports	19.4	18.3	-5.9	38.2	37.5	-1.7
<b>Foreign Trade Balance</b>	<b>-7.0</b>	<b>-5.1</b>	<b>-27.2</b>	<b>-14.3</b>	<b>-11.9</b>	<b>-16.6</b>
Import Coverage Ratio (%)	63.9	72.1	-	62.5	68.2	-

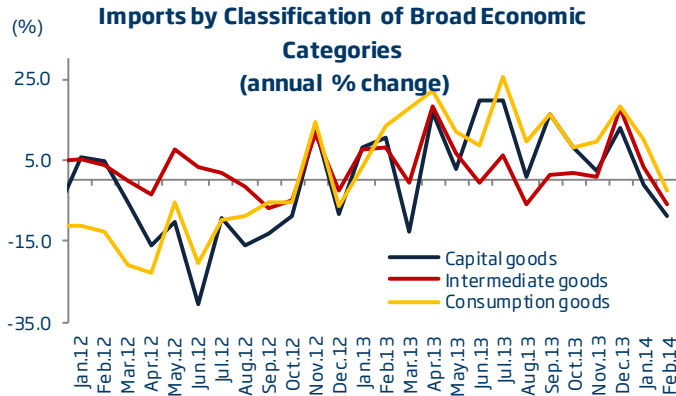
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## Consumption goods imports in February decreased by %2.3.

In February, consumption goods imports decreased by 2.3% yoy. The capital and intermediate goods imports also decreased by 8.8% and 5.9% in the same period. The intermediate goods imports, which constitute 70% of total imports, decreased for the first time in last six months and this is a sign of momentum loss in economic activity.



## Exports to European Union increased by 7.5%.

In line with the recovery in economic activity in European Union countries, Turkey's exports to the region increased by 7.5% yoy in February and constituted 41.6% of Turkey's total exports. In February, 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 1.6% yoy and the share of these countries in total exports remains at 22.6%.

According to Turkey's exports by countries, Germany continued to rank first in February with 1.2 billion USD of

exports. Iraq followed Germany with 1 billion USD and UK ranked third with 729 million USD. Regarding imports, Russia ranked first with 2 billion USD. Russia was followed by China and Germany with 1.9 billion USD and 1.7 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 foreign trade performance of Turkey will gradually improve throughout the year.

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Economic Research Division

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