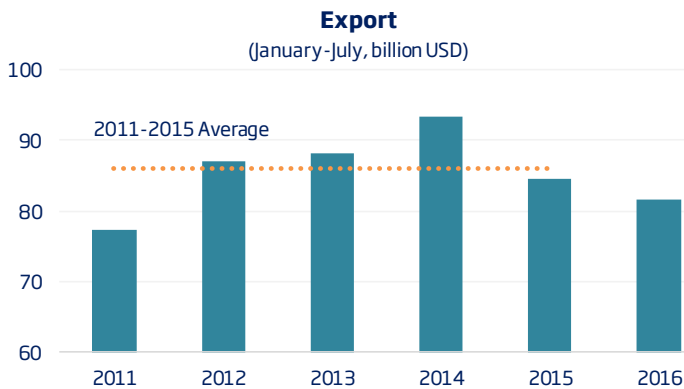


Foreign Trade Balance	(USD billion)		
	July		Change
	2015	2016	(%)
Exports	11.1	9.9	-11.5
Imports	18.2	14.6	-19.7
Foreign Trade Balance	-7.1	-4.8	-32.5
Import Coverage Ratio (%)	61.1	67.3	-

Contraction in foreign trade deficit...

In July, export and import volume posted an annual decrease of 11.5% and 19.7%, respectively. Foreign trade deficit narrowed as imports declined faster than exports. Thus, foreign trade deficit, which was 7.1 billion USD a year earlier in July, became 4.8 billion USD in the same month of this year.

For the first seven months of the year, export volume was realized as 81.5 billion USD, the weakest performance since 2011. In this period, exports and imports recorded an annual decline of 3.6% and 8.6%, respectively. Hence, foreign trade deficit contracted by 18.9% yoy in the first 7 months of the year and came in at 32.8 billion USD.



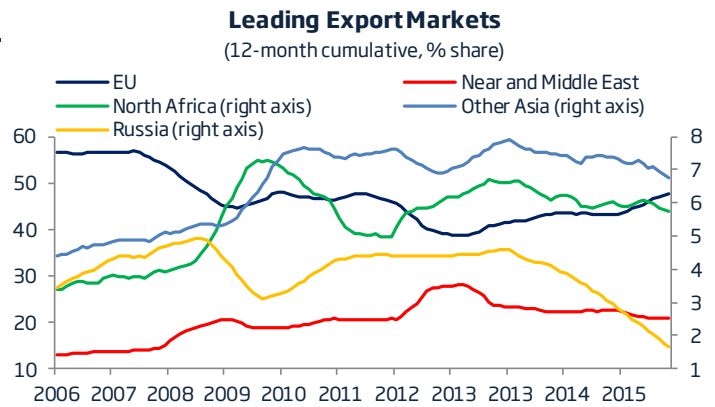
Strong increase in gold exports...

A nine-day public holiday for Eid in July also played a role in the decrease in export volume. Calendar adjusted trade figures showed that decrease in export volume was realized as 6.8% compared to the same month of the previous year. Export volume contracted in almost all key sectors in July. Machinery, iron-steel, electronic and wearing apparels have been the main sectors that registered falls in exports in this period. Increase in exports of automotive and precious stones, on the other hand, limited the decrease in total export volume. In this respect, annual rise of 689 million USD in gold exports has been influential.

For the first 7 months, the highest export volume was registered by automotive, precious stones and machinery sectors, respectively. As 7 out of the top 10 export industries posted annual falls in this period, it was seen that the decline became widespread among sectors.

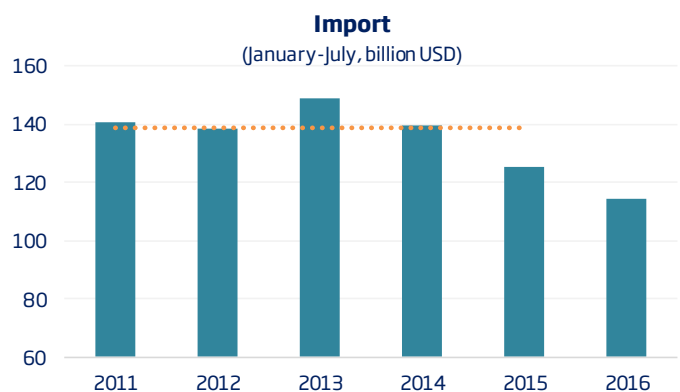
Share of the EU countries in total exports kept rising.

Despite a fall in exports to EU countries in July, after showing an upward trend lately, drop in exports to the region was limited compared to exports to other country groups. Accordingly, the share of EU countries kept rising in our total exports and became 48.6% in the first 7 months.



The ongoing decline in energy imports....

Due to low levels of commodity prices, imports of mineral fuels and oils continued to decline. As a result, imports of boilers and machineries remained at the top of the list of Turkey's imports. While imports of mineral fuels and oils fell by 31.1% yoy in July, the annual contraction in this item was realized as 36.5% in January-July period. In the first 7 month of the year, total import volume decreased by 10.7 billion USD whereas the imports of mineral fuels and oils dropped by 8.6 billion USD.



Expectations...

Despite a contraction in foreign trade deficit in July, the fall in export volume was worth mentioning. It is important to monitor incoming data to analyze to what extent this situation stemmed from temporary factors.

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