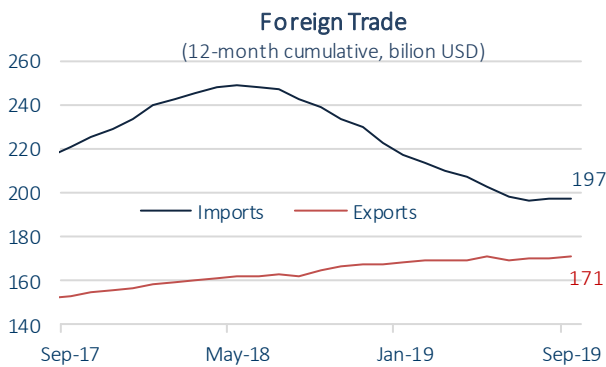




### In September, foreign trade deficit expanded by 6.6% yoy.

In September, export volume expanded by 0.3% to 14.4 billion USD, while import volume increased by 1% to 16.5 billion USD. Thus, foreign trade deficit widened by 6.6% yoy to 2.1 billion USD. During this period, import coverage ratio declined to 87.5%.

12-month cumulative figures reveal that exports and imports became 170.7 billion USD and 197.3 billion USD, respectively. During this period, foreign trade deficit was realized as 26.6 billion USD.



### Iron and steel exports contracted rapidly.

Although motor vehicle exports posted an annual decline in September, the said item continued to be the top export chapter. Despite the loss of momentum in investment expenditures on a global scale, boilers and machinery exports continued to expand on an annual basis. Despite recording the fastest annual decrease in September due partly to the 62.9% yoy fall in exports to US, iron and steel remained as the third largest export item. Another item in which export volume decreased rapidly was precious metals.

### Main export markets...

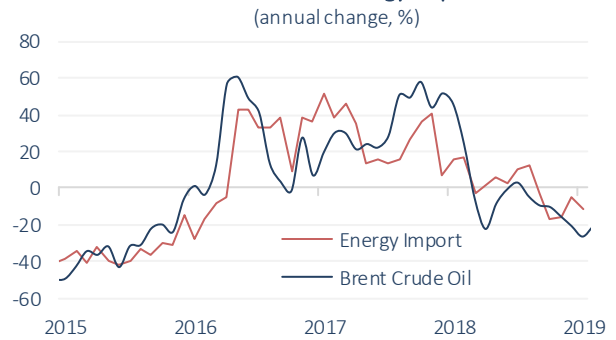
Germany, where export volume contracted by 10.1% yoy in September, continued to be the largest export market. Germany was followed by the United Kingdom and Italy.

During January-September period, the course of EUR/USD parity was the main driver of the flat course of export volume to EU countries. Besides, exports to EU expanded by 6.3% in euro terms.

### Gold imports increased rapidly.

Although import volume increased annually in September, import volume declined in the top three chapters. It was noteworthy that Imports of mineral fuels and oils, which has the highest share in Turkey's total imports, declined by 11.7% yoy due to the decline in oil prices by 27% yoy. In September, precious metal imports almost doubled due to rapid rise in non-monetary gold import.

### Oil Prices and Energy Import



### Imports of consumption goods increased.

The recovery in import volume was driven by the rise in imports of consumption goods. Analysis of foreign trade figures via broad economic categories reveal that, capital goods and intermediate goods imports had a flat course in September compared to last year, while consumption goods imports expanded by 15%.

### Expectations...

In the last quarter of the year, slowdown in EU economies and the trade wars are expected to have downward pressure on export volume. Moreover, leading indicators which show a gradual recovery in domestic economic activity support the expectation that foreign trade deficit will continue to widen in the following period.

### Foreign Trade Figures

(billion USD)

	September		Change (%)	Jan-Sep		Change (%)
	2018	2019		2018	2019	
Exports	14.4	14.4	0.3	122.9	125.8	2.3
Imports	16.3	16.5	1.0	174.2	148.4	-14.8
<b>Foreign Trade Deficit</b>	<b>-1.9</b>	<b>-2.1</b>	<b>6.6</b>	<b>-51.2</b>	<b>-22.7</b>	<b>-55.7</b>
Import Coverage (%)	88.2	87.5	-	70.6	84.7	-

Source: Datastream, Turkstat

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