

## Macro: External deficit remains flat

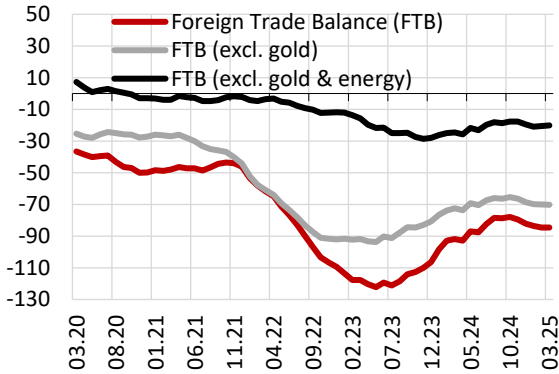
According to the provisional data released by the Ministry of Trade, foreign trade balance recorded a deficit of \$7.3 billion in March, while 12-month cumulative foreign trade deficit remained unchanged at \$84.5 billion, despite the deterioration in energy balance. In seasonally adjusted terms, there was limited deterioration in the core balance. Gold imports declined to \$1.6 billion in March.

Despite the ongoing real appreciation of the Turkish lira and the weak course of external demand, the external balance remained almost flat in the first quarter thanks to the contribution provided by the retreat in oil prices and the increase in parity. We expect the tightening in financial conditions due to the recent volatility to restrain growth to some extent. Uncertainties regarding the impact of tariff wars on the global economy persist. Currently, growth concerns outweigh inflation concerns in expectations. In this sense, there are upside risks to the external deficit due to external demand and downside risks due to domestic growth, parity and commodity price developments. In light of these developments, we expect the current account deficit to be around 1.5% of GDP in 2025.

**According to the provisional data**, exports increased by 3.2% yoy to \$23.4 billion in March, while imports rose by 2.3% yoy to \$30.7 billion. Thus, foreign trade deficit in March remained unchanged from a year ago at \$7.3 billion, while 12-month cumulative foreign trade deficit remained unchanged at \$84.5 billion (Table 1 and Chart 1).

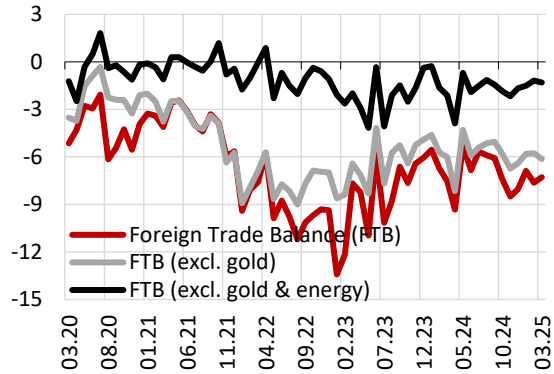
**On a seasonally and calendar adjusted (s.a.) basis**, foreign trade balance improved slightly in March. The improvement was driven by a higher increase in exports than imports. Meanwhile, the external balance excluding gold and energy deteriorated slightly on a monthly basis (Chart 2).

**Chart 1. Foreign Trade Balance (12-month cumulative, billion \$)**



Source: TURKSTAT, MoT, Akbank

**Chart 2. Foreign Trade Balance (seasonally adjusted, billion \$)**



## Exports

**Exports (s.a.) fell by 4.7% mom in March** (Table 3, Chart 3). Gold exports reached \$446 million, the highest level since August, while energy exports (s.a.) contracted by 7.2% mom due to price developments. The monthly rate of increase in exports excluding gold and energy (s.a.) was also strong at 4.8%.

Both exports to EU-27 countries (s.a.) and exports to non-EU-27 countries recorded an increase. The increase in exports to the former was stronger (Chart 5, Table 3). Across country groups, only exports to the Near and Middle East declined on a monthly basis (Chart 6, Table 3). The increase in exports to European countries must have been driven by the rise in the euro/USD parity from 1.04 to 1.08.

The rise in exports was widespread across commodity groups (s.a.), with the most significant increase in capital goods at 9.0% and the weakest increase in consumption goods at 0.5% (Charts 7 and 8, Table 3).

Chart 3. Exports (seasonally adj., billion \$)

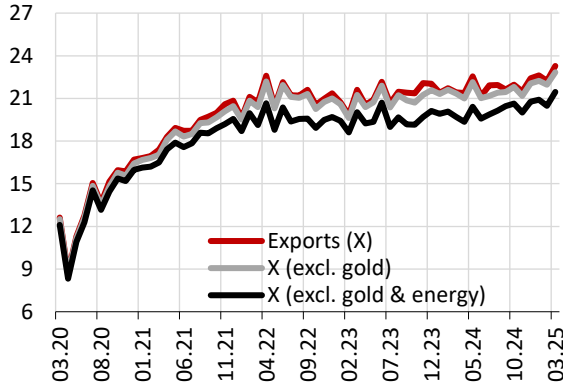


Chart 4. Imports (seasonally adj., billion \$)

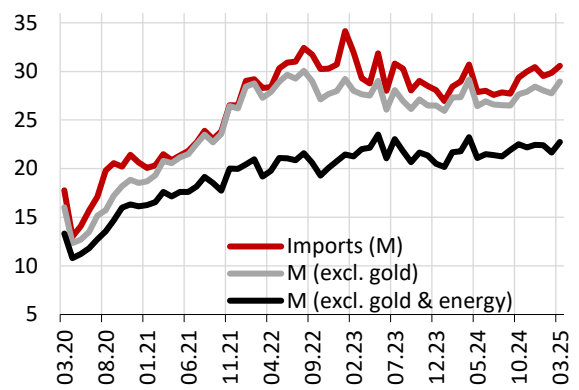


Chart 5. Exports by Region (seasonally adjusted, billion \$)

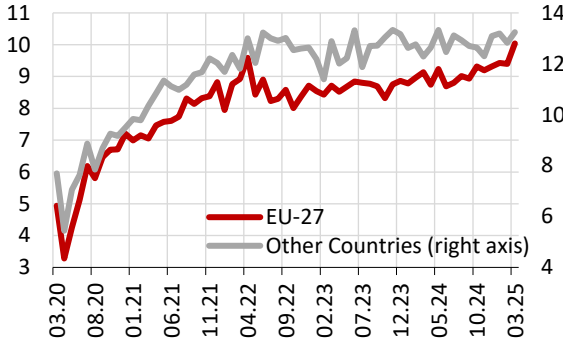


Chart 6. Exports by Region (seasonally adjusted, billion \$)

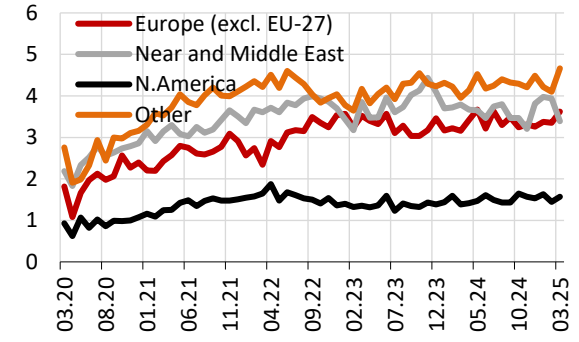


Chart 7. Intermediate Goods Exports (seasonally adjusted, billion \$)

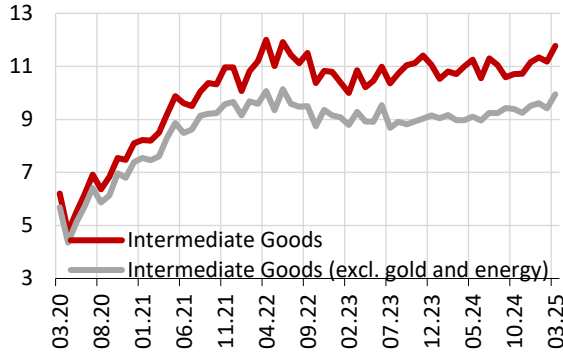
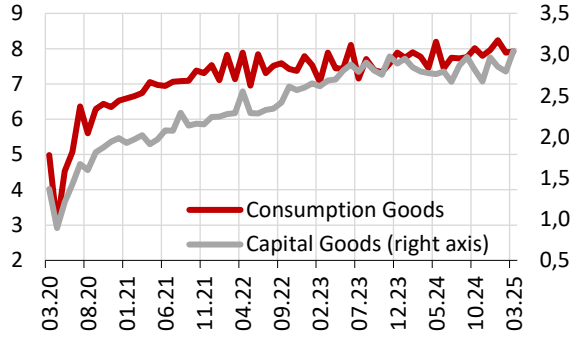


Chart 8. Capital and Consumption Goods Exports (seasonally adjusted, billion \$)



Source: TURKSTAT, MoT, Akbank

## Imports

**Imports (s.a.) rose by 2.4% mom and accelerated compared to the previous month** (Chart 4, Table 3). **Gold imports** declined to \$1.6 billion, while cumulative imports in the last 12 months amounted to \$18.5 billion (Chart 9). **Energy imports (s.a.)** continued to increase in February due to the rise in natural gas prices despite the decline in oil prices (Chart 10, Table 3). **The increase in core imports (s.a.) excluding gold and energy** was stronger at 5.0%. The rise in core imports was driven by imports of capital goods, which rose by 14.2%, and consumption goods, which increased by 13.6% (Charts 11-12). Imports of intermediate goods, excluding gold and energy, declined slightly. Jewelry imports gained

some strength in March with \$0.7 billion. Excluding jewelry, imports of consumption goods (s.a.) remained strong at 13.4% mom (Chart 12, Table 3). The rise in imports of consumption goods seems to have offset the increase in the previous two months. As a result, the ratio of exports to imports excluding gold and energy (s.a.) remained almost flat at 93.3% (Chart 13).

Chart 9. Gold Imports (billion \$)



Chart 10. Energy Imports (billion \$)

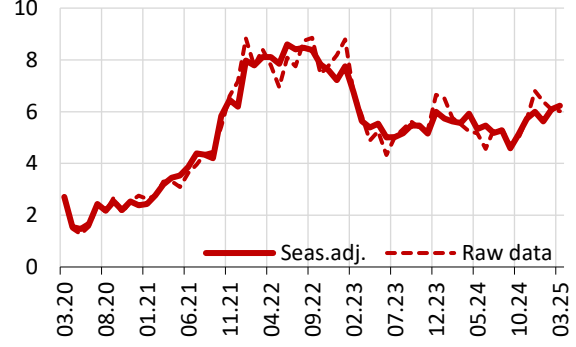


Chart 11. Intermediate Goods Imports (seasonally adjusted, billion \$)

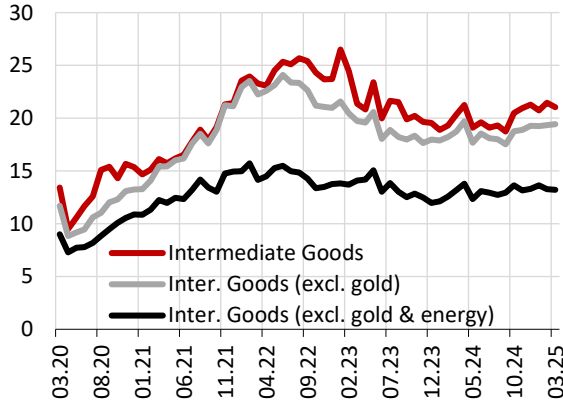


Chart 12. Capital and Consumption Goods Imports (seasonally adjusted, billion \$)

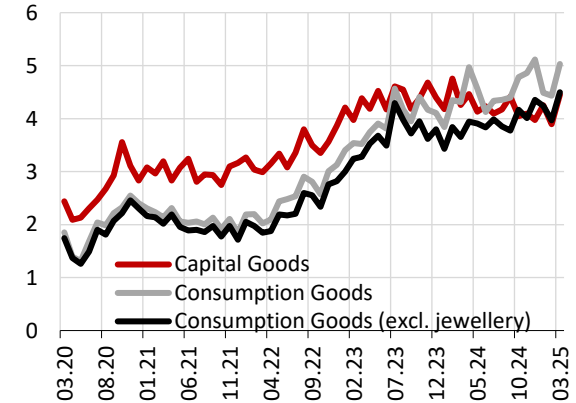
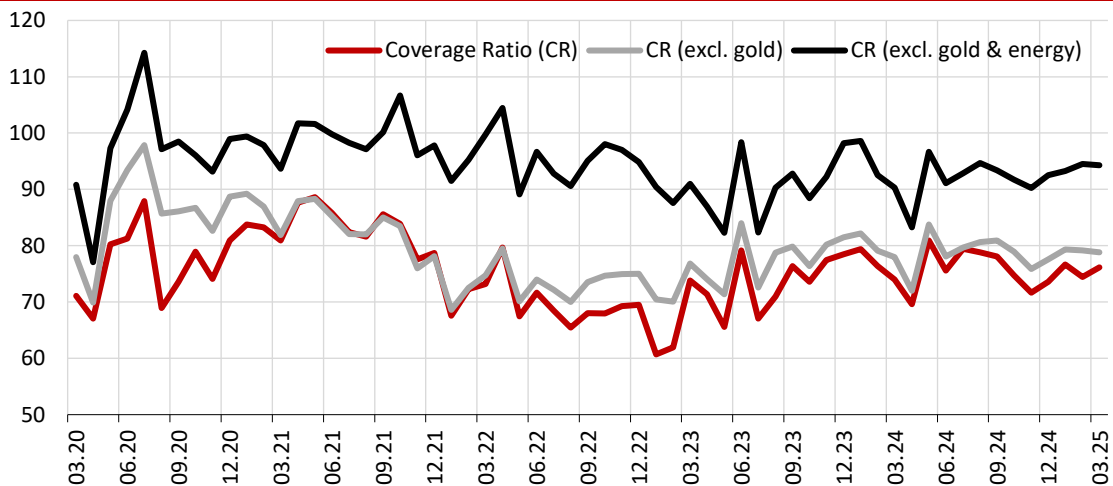


Chart 13. Coverage Ratio (% , seasonally adjusted)



Source: TURKSTAT, MoT, Akbank

**Table 1. Foreign Trade (raw data, billion USD)**

	2020	2021	2022	2023	2024	12-Month Cumulative	First 3 Months	
						March 2025	2024	2025
<b>Foreign Trade Balance</b>	<b>-49.9</b>	<b>-46.2</b>	<b>-109.5</b>	<b>-106.3</b>	<b>-82.2</b>	<b>-84.5</b>	<b>-20.3</b>	<b>-22.6</b>
Exports	169.6	225.2	254.2	255.6	261.8	263.4	63.7	65.3
Imports	219.5	271.4	363.7	362.0	344.0	347.9	84.0	87.9
<b>Foreign Trade Balance (excl. gold and energy)</b>	<b>-3.0</b>	<b>-2.1</b>	<b>-11.9</b>	<b>-27.9</b>	<b>-19.6</b>	<b>-20.2</b>	<b>-3.5</b>	<b>-4.1</b>
Exports (excl. gold and energy)	162.5	213.2	234.8	234.9	241.8	242.9	59.0	60.1
Imports (excl. gold and energy)	165.4	215.2	246.7	262.8	261.3	263.1	62.5	64.2
<b>Foreign Trade Balance (gold)</b>	<b>-22.7</b>	<b>-1.9</b>	<b>-17.5</b>	<b>-25.7</b>	<b>-13.6</b>	<b>-14.3</b>	<b>-3.5</b>	<b>-4.1</b>
Exports (gold)	2.5	3.6	2.9	4.3	3.5	4.3	0.3	1.1
Imports (gold)	25.2	5.5	20.4	30.0	17.1	18.5	3.7	5.2
<b>Foreign Trade Balance (energy)</b>	<b>-24.2</b>	<b>-42.2</b>	<b>-80.1</b>	<b>-52.7</b>	<b>-49.0</b>	<b>-50.1</b>	<b>-13.3</b>	<b>-14.4</b>
Exports (energy)	4.7	8.5	16.4	16.4	16.6	16.2	4.5	4.1
Imports (energy)	28.9	50.7	96.5	69.1	65.6	66.3	17.8	18.5
<b>Exports</b>	<b>169.6</b>	<b>225.2</b>	<b>254.2</b>	<b>255.6</b>	<b>261.8</b>	<b>263.4</b>	<b>63.7</b>	<b>65.3</b>
<b>Exports (EU-27)</b>	<b>70.0</b>	<b>93.1</b>	<b>103.0</b>	<b>104.3</b>	<b>108.5</b>	<b>109.7</b>	<b>27.2</b>	<b>28.3</b>
<b>Exports (excl. EU-27)</b>	<b>99.6</b>	<b>132.2</b>	<b>151.1</b>	<b>151.3</b>	<b>153.3</b>	<b>153.7</b>	<b>36.6</b>	<b>37.0</b>
Exports (Other Europe)	24.4	31.5	36.6	39.7	40.1	40.7	9.1	9.7
Exports (Near and Middle East)	31.3	38.4	45.0	45.6	43.6	43.3	11.1	10.9
Exports (North America)	11.2	16.4	18.8	16.5	18.1	18.1	4.2	4.3
Exports (Other)	32.7	45.9	50.7	49.6	51.5	51.6	12.1	12.2
<b>Exports (Capital Goods)</b>	<b>19.8</b>	<b>24.8</b>	<b>29.0</b>	<b>33.7</b>	<b>33.9</b>	<b>33.8</b>	<b>8.4</b>	<b>8.2</b>
<b>Exports (Intermediate Goods)</b>	<b>80.3</b>	<b>115.2</b>	<b>133.4</b>	<b>129.0</b>	<b>130.7</b>	<b>131.9</b>	<b>31.8</b>	<b>33.0</b>
Inter. Goods Exp. (excl. gold and energy)	73.2	103.1	114.1	108.3	110.6	111.5	27.0	27.8
<b>Exports (Consumption Goods)</b>	<b>68.3</b>	<b>83.8</b>	<b>89.8</b>	<b>90.7</b>	<b>93.7</b>	<b>93.7</b>	<b>23.2</b>	<b>23.2</b>
<b>Imports</b>	<b>219.5</b>	<b>271.4</b>	<b>363.7</b>	<b>362.0</b>	<b>344.0</b>	<b>347.9</b>	<b>84.0</b>	<b>87.9</b>
<b>Imports (Capital Goods)</b>	<b>31.8</b>	<b>35.9</b>	<b>40.5</b>	<b>52.7</b>	<b>50.6</b>	<b>49.8</b>	<b>12.4</b>	<b>11.6</b>
<b>Imports (Intermediate Goods)</b>	<b>163.0</b>	<b>210.1</b>	<b>292.4</b>	<b>261.3</b>	<b>238.3</b>	<b>241.7</b>	<b>59.3</b>	<b>62.7</b>
Inter. Goods Imp. (excl. gold)	137.8	204.6	272.0	231.3	221.2	223.1	55.5	57.5
Inter. Goods Imp. (excl. gold and energy)	108.9	154.0	175.4	162.2	155.6	156.8	37.8	39.0
<b>Imports (Consumption Goods)</b>	<b>24.1</b>	<b>24.9</b>	<b>30.5</b>	<b>47.6</b>	<b>54.5</b>	<b>55.7</b>	<b>12.2</b>	<b>13.4</b>
Jewelry Imports	1.4	1.6	3.0	3.9	7.8	7.4	1.6	1.2
Consumption Goods Imp. (excl. jewelry)	22.7	23.4	27.5	43.7	46.7	48.3	10.6	12.2
<b>Coverage Ratio</b>	<b>77.0</b>	<b>83.1</b>	<b>69.8</b>	<b>71.1</b>	<b>76.2</b>	<b>75.8</b>	<b>75.9</b>	<b>74.3</b>
Coverage Ratio (excl. gold)	85.7	83.7	73.2	76.0	79.1	78.7	79.1	77.6
Coverage Ratio (excl. gold and energy)	97.8	99.2	95.2	89.9	92.7	92.4	94.7	93.6

Source: TURKSTAT, MoT

Table 2. Foreign Trade (raw data, billion USD)

	Dec.24	Jan.25	Feb.25	Mar.25	2024-Q2	2024-Q3	2024-Q4	2025-Q1
<b>Foreign Trade Balance</b>	<b>-8.8</b>	<b>-7.5</b>	<b>-7.8</b>	<b>-7.3</b>	<b>-22.3</b>	<b>-17.5</b>	<b>-22.2</b>	<b>-22.6</b>
Exports	23.4	21.2	20.8	23.4	62.5	66.4	69.1	65.3
Imports	32.2	28.7	28.5	30.7	84.7	83.9	91.4	87.9
<b>Foreign Trade Balance (excl. gold and energy)</b>	<b>-1.7</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-1.5</b>	<b>-8.8</b>	<b>-3.7</b>	<b>-3.5</b>	<b>-4.1</b>
Exports (excl. gold and energy)	21.7	19.5	19.1	21.5	56.9	61.4	64.5	60.1
Imports (excl. gold and energy)	23.4	20.8	20.3	23.0	65.7	65.1	68.0	64.2
<b>Foreign Trade Balance (gold)</b>	<b>-1.6</b>	<b>-1.1</b>	<b>-1.9</b>	<b>-1.1</b>	<b>-3.1</b>	<b>-2.0</b>	<b>-5.0</b>	<b>-4.1</b>
Exports (gold)	0.4	0.4	0.3	0.4	0.9	1.5	0.8	1.1
Imports (gold)	2.0	1.5	2.1	1.6	4.0	3.5	5.8	5.2
<b>Foreign Trade Balance (energy)</b>	<b>-5.4</b>	<b>-5.1</b>	<b>-4.7</b>	<b>-4.6</b>	<b>-10.3</b>	<b>-11.7</b>	<b>-13.7</b>	<b>-14.4</b>
Exports (energy)	1.4	1.3	1.4	1.5	4.6	3.6	3.8	4.1
Imports (energy)	6.8	6.4	6.1	6.0	15.0	15.3	17.5	18.5
<b>Exports</b>	<b>23.4</b>	<b>21.2</b>	<b>20.8</b>	<b>23.4</b>	<b>62.5</b>	<b>66.4</b>	<b>69.1</b>	<b>65.3</b>
<b>Exports (EU-27)</b>	<b>9.2</b>	<b>9.0</b>	<b>8.9</b>	<b>10.5</b>	<b>26.2</b>	<b>26.8</b>	<b>28.3</b>	<b>28.3</b>
<b>Exports (excl. EU-27)</b>	<b>14.2</b>	<b>12.2</b>	<b>11.9</b>	<b>12.9</b>	<b>36.3</b>	<b>39.6</b>	<b>40.9</b>	<b>37.0</b>
Exports (Other Europe)	3.4	3.1	3.1	3.5	9.6	10.8	10.5	9.7
Exports (Near and Middle East)	4.2	3.8	3.7	3.3	9.8	11.1	11.5	10.9
Exports (North America)	1.6	1.5	1.3	1.5	4.4	4.5	5.0	4.3
Exports (Other)	5.0	3.8	3.8	4.5	12.4	13.2	13.9	12.2
<b>Exports (Capital Goods)</b>	<b>3.5</b>	<b>2.5</b>	<b>2.5</b>	<b>3.2</b>	<b>7.8</b>	<b>8.5</b>	<b>9.3</b>	<b>8.2</b>
<b>Exports (Intermediate Goods)</b>	<b>11.1</b>	<b>10.7</b>	<b>10.4</b>	<b>11.9</b>	<b>32.0</b>	<b>33.9</b>	<b>33.0</b>	<b>33.0</b>
Inter. Goods Exp. (excl. gold and energy)	9.4	9.0	8.8	10.0	26.5	28.9	28.3	27.8
<b>Exports (Consumption Goods)</b>	<b>8.4</b>	<b>7.9</b>	<b>7.5</b>	<b>7.9</b>	<b>21.7</b>	<b>23.2</b>	<b>25.6</b>	<b>23.2</b>
<b>Imports</b>	<b>32.2</b>	<b>28.7</b>	<b>28.5</b>	<b>30.7</b>	<b>84.7</b>	<b>83.9</b>	<b>91.4</b>	<b>87.9</b>
<b>Imports (Capital Goods)</b>	<b>4.6</b>	<b>3.7</b>	<b>3.5</b>	<b>4.4</b>	<b>12.2</b>	<b>13.1</b>	<b>12.9</b>	<b>11.6</b>
<b>Imports (Intermediate Goods)</b>	<b>22.1</b>	<b>20.9</b>	<b>20.7</b>	<b>21.0</b>	<b>58.8</b>	<b>57.6</b>	<b>62.5</b>	<b>62.7</b>
Inter. Goods Imp. (excl. gold)	20.1	19.5	18.6	19.4	54.7	54.1	56.7	57.5
Inter. Goods Imp.(excl. gold and energy)	13.3	13.1	12.6	13.4	39.8	38.8	39.2	39.0
<b>Imports (Consumption Goods)</b>	<b>5.4</b>	<b>4.0</b>	<b>4.2</b>	<b>5.2</b>	<b>13.6</b>	<b>13.0</b>	<b>15.7</b>	<b>13.4</b>
Jewelry Imports	0.8	0.2	0.4	0.7	2.1	1.4	2.7	1.2
Consumption Goods Imp. (excl. jewelry)	4.6	3.8	3.8	4.5	11.6	11.6	13.0	12.2
<b>Coverage Ratio</b>	<b>72.7</b>	<b>73.7</b>	<b>72.8</b>	<b>76.3</b>	<b>73.7</b>	<b>79.2</b>	<b>75.7</b>	<b>74.3</b>
Coverage Ratio (excl. gold)	76.3	76.3	77.6	78.9	76.3	80.8	79.9	77.6
Coverage Ratio (excl. gold and energy)	92.7	93.5	94.1	93.3	86.6	94.3	94.8	93.6

Source: TURKSTAT, MoT

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	Dec.24	Jan.25	Feb.25	Mar.25	2024-Q2	2024-Q3	2024-Q4	2025-Q1
<b>Exports</b>	<b>4.3</b>	<b>0.9</b>	<b>-1.7</b>	<b>4.7</b>	<b>0.9</b>	<b>0.6</b>	<b>0.6</b>	<b>3.4</b>
<b>Exports (excl. gold)</b>	<b>4.1</b>	<b>0.8</b>	<b>-1.2</b>	<b>3.9</b>	<b>-0.1</b>	<b>-0.2</b>	<b>1.6</b>	<b>3.0</b>
Energy Exports	9.2	4.6	12.2	-7.8	5.5	-26.5	1.6	16.7
Exports (excl. gold and energy)	3.8	0.6	-2.1	4.8	-0.6	1.9	1.6	2.2
<b>Exports (gold)</b>	<b>14.3</b>	<b>8.2</b>	<b>-32.3</b>	<b>71.3</b>	<b>220.7</b>	<b>58.2</b>	<b>-44.7</b>	<b>34.9</b>
<b>Exports (EU-27)</b>	<b>1.3</b>	<b>1.2</b>	<b>-0.3</b>	<b>6.8</b>	<b>-0.8</b>	<b>0.3</b>	<b>4.1</b>	<b>3.7</b>
Exports (Other Europe)	<b>6.5</b>	<b>0.7</b>	<b>-2.7</b>	<b>3.2</b>	<b>2.0</b>	<b>0.8</b>	<b>-1.9</b>	<b>3.2</b>
Exports (Near and Middle East)	-1.5	3.3	-0.7	8.2	7.9	1.0	-5.7	5.4
Exports (North America)	19.1	4.2	-1.0	-13.9	-3.7	2.0	-4.8	7.8
Exports (Other)	-2.6	6.5	-11.1	8.3	1.7	-3.1	8.9	-2.1
<b>Exports (excl. EU-27)</b>	<b>6.6</b>	<b>-6.1</b>	<b>-2.8</b>	<b>13.8</b>	<b>2.8</b>	<b>1.1</b>	<b>0.1</b>	<b>-0.1</b>
<b>Exports (Capital Goods)</b>	<b>10.9</b>	<b>-3.9</b>	<b>-2.0</b>	<b>9.0</b>	<b>-3.0</b>	<b>2.1</b>	<b>-0.6</b>	<b>2.8</b>
<b>Exports (Intermediate Goods)</b>	<b>4.0</b>	<b>1.6</b>	<b>-1.4</b>	<b>5.4</b>	<b>2.3</b>	<b>0.4</b>	<b>-1.1</b>	<b>5.2</b>
Inter. Goods (excl. gold and energy)	3.0	1.0	-2.1	5.7	-0.5	3.3	0.9	2.9
<b>Exports (Consumption Goods)</b>	<b>2.0</b>	<b>3.5</b>	<b>-4.2</b>	<b>0.5</b>	<b>-1.4</b>	<b>0.6</b>	<b>2.4</b>	<b>1.2</b>
<b>Imports</b>	<b>1.5</b>	<b>-3.1</b>	<b>1.2</b>	<b>2.4</b>	<b>2.6</b>	<b>-4.0</b>	<b>8.1</b>	<b>0.1</b>
<b>Imports (excl. gold)</b>	<b>1.9</b>	<b>-1.4</b>	<b>-1.0</b>	<b>4.4</b>	<b>2.4</b>	<b>-3.5</b>	<b>5.5</b>	<b>0.9</b>
Imports (excl. gold and energy)	1.2	-0.2	-3.4	5.0	3.4	-1.9	4.0	-0.5
Energy Imports	4.4	-6.1	8.2	2.2	-1.4	-9.9	12.1	6.4
<b>Imports (gold)</b>	<b>-3.8</b>	<b>-26.5</b>	<b>43.4</b>	<b>-24.6</b>	<b>8.1</b>	<b>-13.5</b>	<b>66.4</b>	<b>-11.1</b>
<b>Imports (Capital Goods)</b>	<b>-2.9</b>	<b>6.9</b>	<b>-8.3</b>	<b>14.2</b>	<b>-2.7</b>	<b>-1.2</b>	<b>-4.4</b>	<b>4.0</b>
<b>Imports (Intermediate Goods)</b>	<b>1.6</b>	<b>-2.6</b>	<b>3.5</b>	<b>-2.0</b>	<b>2.4</b>	<b>-4.7</b>	<b>9.8</b>	<b>0.8</b>
Inter. Goods Imp. (excl. gold and energy)	1.2	2.5	-2.7	-0.4	3.5	-1.6	3.8	0.1
Inter. Goods Imp. (excl. gold)	2.2	-0.2	0.5	0.5	2.0	-4.1	6.1	2.0
<b>Imports (Consumption Goods)</b>	<b>5.3</b>	<b>-12.3</b>	<b>-1.2</b>	<b>13.6</b>	<b>9.3</b>	<b>-4.2</b>	<b>12.8</b>	<b>-5.5</b>
Jewelry Imports	-10.1	-67.4	88.0	14.7	26.0	-25.6	50.7	-43.7
Consumption Goods Imp. (excl. jewelry)	8.5	-2.7	-6.4	13.4	6.9	-0.6	8.0	1.3

Source: TURKSTAT, MoT, Akbank

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