

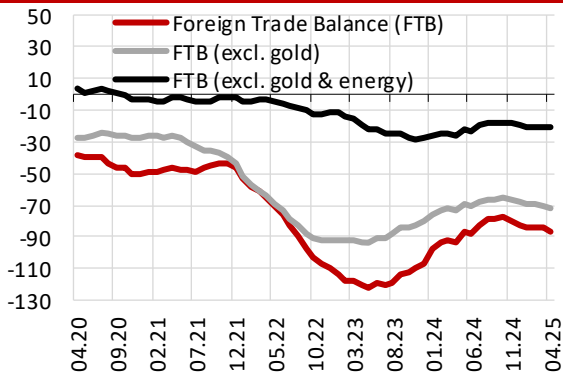
Macro: Significant increase in foreign trade deficit

According to the provisional data released by the Ministry of Trade, foreign trade deficit widened by \$2.1 billion yoy to \$12 billion in April, while the 12-month cumulative deficit widened to \$86.6 billion. Seasonally adjusted (s.a.) data pointed to a significant deterioration in the core external balance, which was also driven by the shift in exports between March and April due to the Ramadan. The sharp decline ($\approx 20\%$) in exports to North America (s.a.) can be interpreted as a sign of the restraining effect of tariff-related uncertainty. Parity developments made a positive contribution of \$0.4 billion to exports in April. Gold imports increased to \$2.4 billion due to price developments, while energy imports declined thanks to the fall in oil prices. Core imports, on the other hand, recorded a strong increase, mainly in intermediate goods. We think that the expected slowdown in economic growth, the contribution of parity developments and the decline in commodity prices will have a positive impact on the external balance in the upcoming period. On the other hand, the delayed recovery in external demand is the main factor that will limit the improvement in external balance.

According to the provisional data released by the Ministry of Trade, exports increased by 8.5% yoy to \$20.9 billion and imports rose by 12.9% yoy to \$33 billion in April. Thus, foreign trade deficit widened by \$2.1 billion yoy to \$12 billion in April, while the 12-month cumulative deficit stood at \$86.6 billion, the highest level since June 2024 (Table 1 and Chart 1).

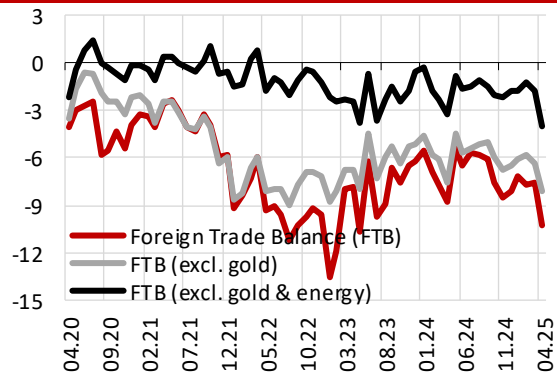
Seasonally and calendar adjusted (s.a.) data pointed to a significant deterioration in foreign trade balance. Exports (s.a.) declined by 5.8% mom, while imports (s.a.) increased by 4.7%. The deterioration in the external balance excluding gold and energy (s.a.) was similarly strong, while the core external deficit (s.a.) reached the highest level since October 2017 (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 5.8% mom in April (Table 3, Chart 3). Gold exports fell to a 6-month low of \$217 million, while the decline in energy exports (s.a.) was limited to 0.6%. The monthly decline in exports excluding gold and energy (s.a.) was strong at 5.2%, albeit less than the headline figure. The increased volatility in exports in March-April was mainly driven by the Ramadan holiday at the end of March. Exports gain momentum in the days before the holiday, but fall below normal levels in the days after

the holiday.¹ Since the standard calendar variable we use cannot control for these working day effects, it cannot eliminate this volatility in the seasonal adjustment process.

Nevertheless, when we look at the two-month average where this effect disappears, we calculate an average monthly decline of 1.0%. This points to a weakening in the underlying trend of exports. In addition, according to the information shared by the Ministry of Trade, the increase in euro-dollar parity contributed \$440 million to exports in April. Therefore, when we exclude the parity effect, there is a stronger weakening.

According to regional export data, exports (s.a.) to all regional markets except the Near and Middle East contracted in April. Exports to the EU-27 decreased by 3.1% mom (Chart 5, Table 3), while exports to the Near and Middle East increased by 3.4% mom (Chart 6, Table 3). Exports to North America fell by 20.9%, the sharpest decline since April 2020. Uncertainty over tariffs seems to have had a negative impact on exports to this region. In order to eliminate the holiday-driven effect, the average of the last two months shows an increase in exports to EU-27 countries and a decline in the remaining countries. This outlook is more consistent with the supportive effect of parity.

The monthly decline in exports (s.a.) by commodity groups was widespread, with the most pronounced decline in intermediate goods at 6.3% and the weakest decline in consumption goods at 2.8% (Charts 7 and 8, Table 3). On a two-month average basis, capital goods increased, intermediate goods decreased and consumption goods remained flat.

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

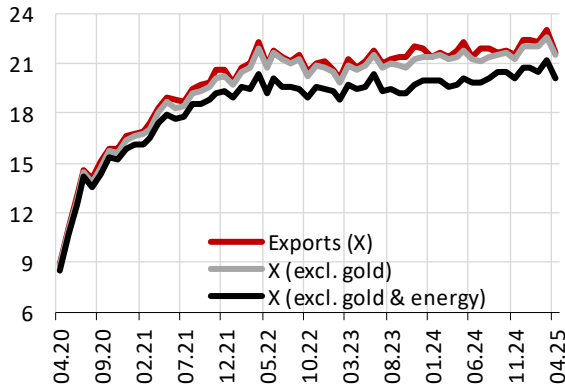


Chart 4. Imports (seasonally adj., billion \$)

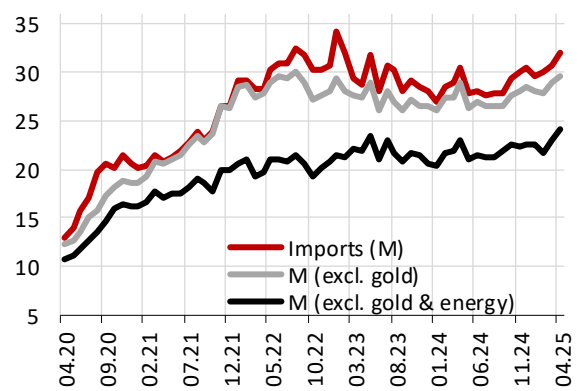


Chart 5. Exports by Region (seasonally adjusted, billion \$)

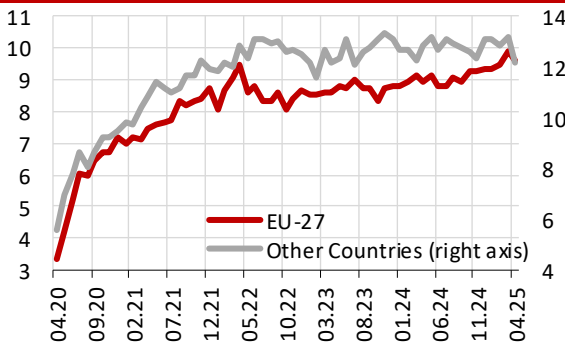
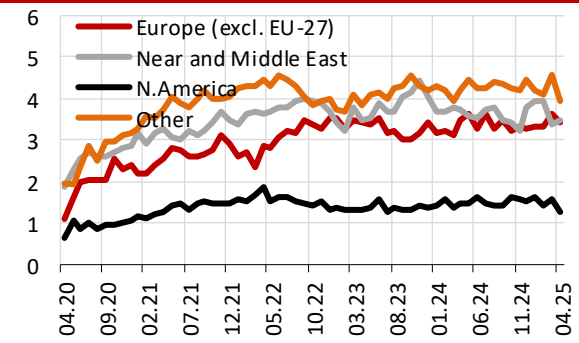
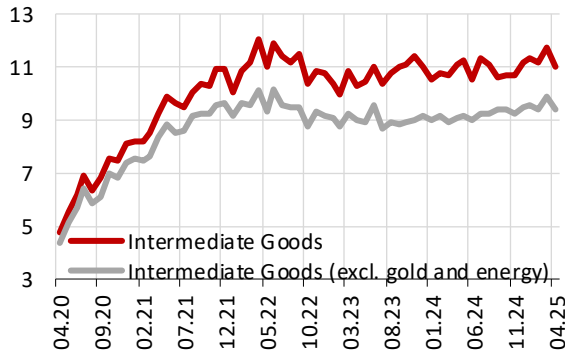
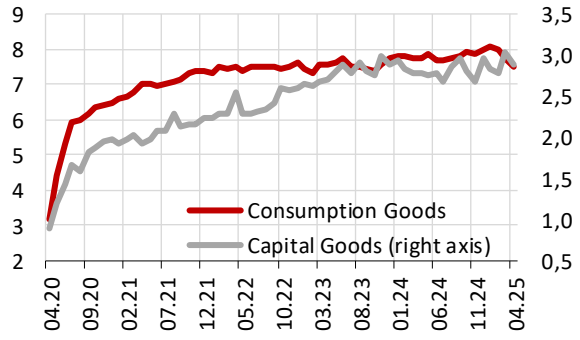


Chart 6. Exports by Region (seasonally adjusted, billion \$)



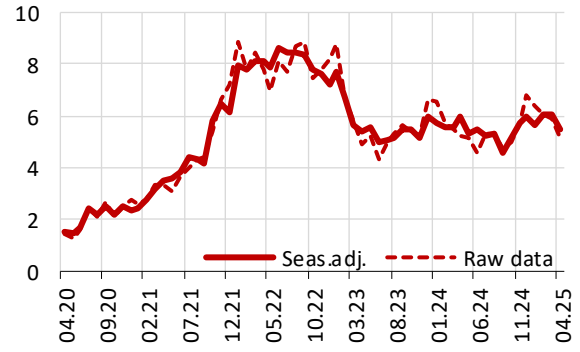
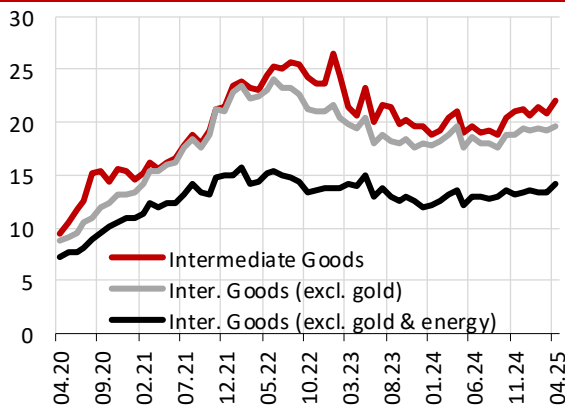
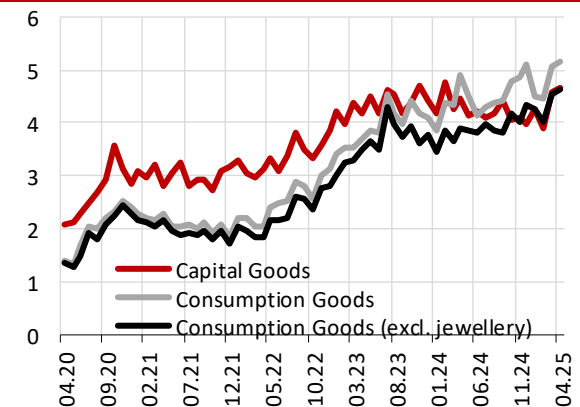
¹ Çulha, O. Y. and Eren, O. (2016), [Working Day Effect in Foreign Trade Statistics](#) (in Turkish), CBRT Research Notes in Economics, No: 2016-10

Chart 7. Intermediate Goods Exports (seasonally adjusted, billion \$)**Chart 8. Capital and Consumption Goods Exports (seasonally adjusted, billion \$)**

Source: TURKSTAT, MoT, Akbank

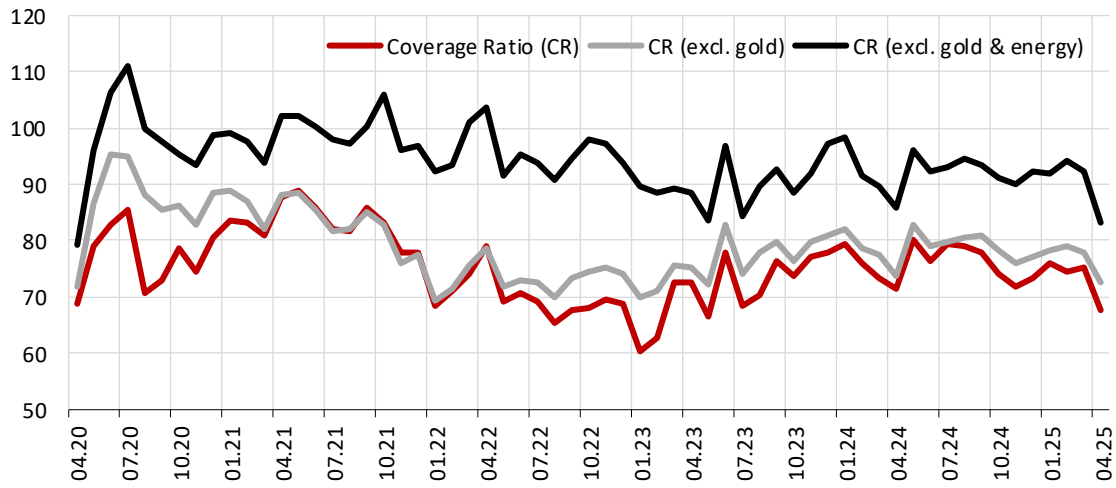
Imports

Imports (s.a.) rose by 4.7% mom and accelerated compared to the previous month (Chart 4, Table 3). **Gold imports (s.a.)** was \$2.4 billion monthly, the highest level since August 2023, and cumulatively reached \$19.4 billion in the last 12 months (Chart 9). Although the price hike also played a role in the acceleration in gold imports, the increase in investment demand driven by the price hike also seems to have played a role. **Energy imports (s.a.)**, on the other hand, decreased by 8.9% mom due to the fall in oil prices (Chart 10, Table 3). According to the Ministry, the course of natural gas imports has a negative impact on energy imports. According to the information shared at the press conference, the natural gas import bill reached \$1.5 billion in April, twice as much as last year.

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 \$)**

The monthly increase in core imports excluding gold and energy (s.a.), which is more in line with economic growth and real exchange rate dynamics, was stronger at 5.0%. The rise in core imports was mainly driven by the 7.1% increase in imports of intermediate goods excluding gold and energy. Analyzing import data by chapters, we find that the rise in imports of base metals (s.a.) such as iron-steel, aluminum and copper was influential in this development. On the other hand, imports of capital goods and consumption goods posted more limited monthly increases of 1.3% and 1.9%, respectively (Charts 11-12). In April, jewelry imports were similar to the previous month with \$0.5 billion. Excluding jewelry, imports of consumption goods (s.a.) increased by 2.4% mom (Chart 12, Table 3). As a result, the coverage ratio excluding gold and energy (s.a.) stood at 83.3%, 9 points below the previous month (Chart 13).

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 4 Months	
						April 2025	2024	2025
Foreign Trade Balance	-49.9	-46.2	-109.5	-106.3	-82.2	-86.6	-30.1	-34.5
Exports	169.6	225.2	254.2	255.6	261.8	265.0	83.0	86.2
Imports	219.5	271.4	363.7	362.0	344.0	351.6	113.2	120.8
Foreign Trade Balance (excl. gold and energy)	-3.0	-2.1	-11.9	-27.9	-19.6	-21.2	-8.6	-10.2
Exports (excl. gold and energy)	162.5	213.2	234.8	234.9	241.8	245.0	76.3	79.5
Imports (excl. gold and energy)	165.4	215.2	246.7	262.8	261.3	266.2	84.9	89.7
Foreign Trade Balance (gold)	-22.7	-1.9	-17.5	-25.7	-13.6	-15.3	-4.6	-6.3
Exports (gold)	2.5	3.6	2.9	4.3	3.5	4.1	0.7	1.3
Imports (gold)	25.2	5.5	20.4	30.0	17.1	19.4	5.3	7.6
Foreign Trade Balance (energy)	-24.2	-42.2	-80.1	-52.7	-49.0	-50.1	-16.9	-18.0
Exports (energy)	4.7	8.5	16.4	16.4	16.6	15.9	6.1	5.5
Imports (energy)	28.9	50.7	96.5	69.1	65.6	66.0	23.0	23.5
Exports	169.6	225.2	254.2	255.6	261.8	265.0	83.0	86.2
Exports (EU-27)	70.0	93.1	103.0	104.3	108.5	110.9	35.2	37.5
Exports (excl. EU-27)	99.6	132.2	151.1	151.3	153.3	154.1	47.9	48.7
Exports (Other Europe)	24.4	31.5	36.6	39.7	40.1	40.9	12.1	12.9
Exports (Near and Middle East)	31.3	38.4	45.0	45.6	43.6	43.4	14.4	14.2
Exports (North America)	11.2	16.4	18.8	16.5	18.1	18.1	5.5	5.6
Exports (Other)	32.7	45.9	50.7	49.6	51.5	51.7	15.9	16.0
Exports (Capital Goods)	19.8	24.8	29.0	33.7	34.0	34.2	10.9	11.1
Exports (Intermediate Goods)	80.3	115.2	133.4	129.0	130.7	132.7	41.8	43.9
Inter. Goods Exp.(excl. gold and energy)	73.2	103.1	114.1	108.3	110.6	112.7	35.1	37.1
Exports (Consumption Goods)	68.3	83.8	89.8	90.7	93.7	94.1	29.8	30.2
Imports	219.5	271.4	363.7	362.0	344.0	351.6	113.2	120.8
Imports (Capital Goods)	31.8	35.9	40.5	52.7	50.6	50.5	16.4	16.3
Imports (Intermediate Goods)	163.0	210.1	292.4	261.3	238.3	244.1	79.6	85.4
Inter. Goods Imp. (excl. gold)	137.8	204.6	272.0	231.3	221.2	224.7	74.3	77.8
Inter. Goods Imp. (excl. gold and energy)	108.9	154.0	175.4	162.2	155.6	158.7	51.3	54.4
Imports (Consumption Goods)	24.1	24.9	30.5	47.6	54.5	56.2	17.1	18.8
Jewelry Imports	1.4	1.6	3.0	3.9	7.8	6.9	2.8	1.9
Consumption Goods Imp. (excl. jewelry)	22.7	23.4	27.5	43.7	46.7	49.3	14.3	16.9
Coverage Ratio	77.0	83.1	69.8	71.1	76.2	75.6	73.5	71.6
Coverage Ratio (excl. gold)	85.7	83.7	73.2	76.0	79.1	78.7	76.4	75.2
Coverage Ratio (excl. gold and energy)	97.8	99.2	95.2	89.9	92.7	92.3	90.3	89.2

Source: TURKSTAT, MoT

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

	Jan.25	Feb.25	Mar.25	Apr.25	2024-Q3	2024-Q4	2025-Q1	2025-Q2*
Foreign Trade Balance	-7.5	-7.8	-7.2	-12.0	-17.5	-22.2	-22.5	-12.0
Exports	21.2	20.7	23.4	20.9	66.4	69.1	65.3	20.9
Imports	28.7	28.5	30.6	33.0	83.9	91.4	87.8	33.0
Foreign Trade Balance (excl. gold and energy)	-1.3	-1.2	-1.6	-6.1	-3.7	-3.5	-4.2	-6.1
Exports (excl. gold and energy)	19.5	19.1	21.5	19.4	61.4	64.5	60.1	19.4
Imports (excl. gold and energy)	20.8	20.3	23.2	25.4	65.1	68.0	64.3	25.4
Foreign Trade Balance (gold)	-1.1	-1.9	-1.1	-2.2	-2.0	-5.0	-4.1	-2.2
Exports (gold)	0.4	0.3	0.4	0.2	1.5	0.8	1.1	0.2
Imports (gold)	1.5	2.1	1.6	2.4	3.5	5.8	5.2	2.4
Foreign Trade Balance (energy)	-5.1	-4.7	-4.4	-3.8	-11.7	-13.7	-14.2	-3.8
Exports (energy)	1.3	1.4	1.5	1.3	3.6	3.8	4.1	1.3
Imports (energy)	6.4	6.1	5.9	5.1	15.3	17.5	18.3	5.1
Exports	21.2	20.7	23.4	20.9	66.4	69.1	65.3	20.9
Exports (EU-27)	9.0	8.9	10.4	9.3	26.8	28.3	28.3	9.3
Exports (excl. EU-27)	12.2	11.9	13.0	11.7	39.6	40.9	37.1	11.7
Exports (Other Europe)	3.1	3.1	3.6	3.2	10.8	10.5	9.7	3.2
Exports (Near and Middle East)	3.8	3.7	3.3	3.3	11.1	11.5	10.9	3.3
Exports (North America)	1.5	1.3	1.6	1.3	4.5	5.0	4.3	1.3
Exports (Other)	3.8	3.8	4.5	3.9	13.2	13.9	12.1	3.9
Exports (Capital Goods)	2.5	2.5	3.2	2.9	8.5	9.3	8.2	2.9
Exports (Intermediate Goods)	10.7	10.4	11.9	10.9	33.9	33.0	33.0	10.9
Inter. Goods Exp. (excl. gold and energy)	9.0	8.8	10.0	9.3	28.9	28.3	27.8	9.3
Exports (Consumption Goods)	7.9	7.5	7.9	7.0	23.2	25.6	23.3	7.0
Imports	28.7	28.5	30.6	33.0	83.9	91.4	87.8	33.0
Imports (Capital Goods)	3.7	3.5	4.5	4.6	13.1	12.9	11.7	4.6
Imports (Intermediate Goods)	20.9	20.7	20.9	22.9	57.6	62.5	62.5	22.9
Inter. Goods Imp. (excl. gold)	19.4	18.6	19.3	20.5	54.1	56.7	57.3	20.5
Inter. Goods Imp.(excl. gold and energy)	13.0	12.6	13.4	15.4	38.8	39.2	39.0	15.4
Imports (Consumption Goods)	4.0	4.2	5.2	5.4	13.0	15.7	13.4	5.4
Jewelry Imports	0.2	0.4	0.7	0.7	1.4	2.7	1.2	0.7
Consumption Goods Imp. (excl. jewelry)	3.8	3.8	4.5	4.7	11.6	13.0	12.2	4.7
Coverage Ratio	73.8	72.7	76.5	63.5	79.2	75.7	74.4	63.5
Coverage Ratio (excl. gold)	76.4	77.6	79.2	67.8	80.8	79.9	77.7	67.8
Coverage Ratio (excl. gold and energy)	93.6	94.0	92.9	76.2	94.3	94.8	93.5	76.2

Source: TURKSTAT, MoT

*April data

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	Jan.25	Feb.25	Mar.25	Apr.25	2024-Q3	2024-Q4	2025-Q1	2025-Q2*
Exports	0.2	-0.8	3.5	-5.8	0.1	0.4	2.9	-3.9
Exports (excl. gold)	0.1	-0.3	2.7	-4.9	-0.7	1.4	2.5	-3.3
Energy Exports	4.9	12.1	-8.1	-0.6	-26.5	1.5	16.8	-2.4
Exports (excl. gold and energy)	-0.2	-1.1	3.5	-5.2	1.4	1.4	1.7	-3.3
Exports (gold)	8.2	-32.3	71.4	-51.3	58.2	-44.7	34.9	-40.3
Exports (EU-27)	0.5	0.8	4.8	-3.1	-0.2	3.9	3.1	0.3
Exports (Other Europe)	0.0	-2.0	2.6	-7.8	0.3	-2.0	2.8	-6.9
Exports (Near and Middle East)	2.6	-0.3	8.7	-4.9	0.4	-5.9	5.1	0.4
Exports (North America)	3.5	0.0	-14.9	3.4	1.6	-4.9	7.4	-7.4
Exports (Other)	5.8	-10.3	10.4	-20.9	-3.8	8.6	-1.6	-18.6
Exports (excl. EU-27)	-6.8	-2.0	11.6	-13.9	0.7	-0.1	-0.9	-8.1
Exports (Capital Goods)	-3.9	-2.1	9.0	-4.8	1.9	-0.7	2.6	0.1
Exports (Intermediate Goods)	1.6	-1.6	5.4	-6.3	0.2	-1.2	5.1	-3.5
Inter. Goods (excl. gold and energy)	0.9	-2.2	5.7	-5.0	3.0	0.7	2.7	-2.2
Exports (Consumption Goods)	1.5	-1.5	-2.8	-2.8	-0.3	2.1	0.1	-5.1
Imports	-3.0	1.2	2.2	4.7	-3.6	8.2	0.2	6.7
Imports (excl. gold)	-1.4	-1.0	4.2	2.1	-3.1	5.6	0.9	4.7
Imports (excl. gold and energy)	-0.1	-3.2	5.5	5.0	-1.2	4.2	-0.1	7.7
Energy Imports	-6.1	8.0	-0.4	-8.9	-10.3	11.7	5.2	-6.8
Imports (gold)	-26.5	43.4	-24.5	50.8	-13.5	66.4	-11.1	39.2
Imports (Capital Goods)	7.1	-8.4	17.4	1.3	-0.9	-4.3	5.2	9.3
Imports (Intermediate Goods)	-2.8	3.6	-2.8	5.8	-4.4	10.1	0.4	5.1
Inter. Goods Imp. (excl. gold and energy)	2.2	-2.5	-0.4	7.1	-0.9	4.3	0.1	5.9
Inter. Goods Imp. (excl. gold)	-0.4	0.6	-0.4	2.1	-3.7	6.4	1.6	2.0
Imports (Consumption Goods)	-11.6	-1.1	13.3	1.9	-3.1	12.6	-4.9	10.1
Jewelry Imports	-66.8	85.8	14.3	-2.5	-24.2	49.2	-43.0	24.7
Consumption Goods Imp. (excl. jewelry)	-1.9	-6.2	13.2	2.4	0.5	7.9	1.9	8.7

Source: TURKSTAT, MoT, Akbank

*April data

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