

## Macro: Significant improvement in foreign trade deficit

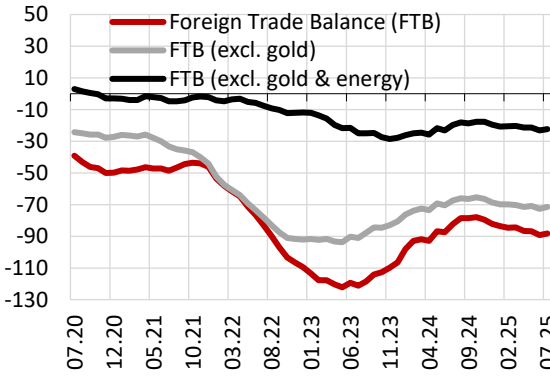
According to the provisional data released by the Ministry of Trade, foreign trade deficit decreased by \$0.9 billion to \$6.4 billion in July compared to the same month of the previous year. Thus, 12-month cumulative foreign trade deficit narrowed to \$88.3 billion. In seasonally adjusted terms, external deficit improved significantly on a monthly basis, while the improvement in core indicators remained relatively limited. Both the rise in exports and the decline in imports contributed to the improvement in external balance.

Beginning from July, we enter a period in which the current account balance will give a surplus thanks to the seasonally increasing contribution of services revenues. It is possible that we will see a cumulative surplus of around \$8 billion in the July-October period. In this framework, we expect the current account deficit to be realized around \$20 billion (1.3% of GDP) at the end of the year. The fact that the current account balance will give a surplus with seasonal effects is a positive development in terms of exchange rate and balance of payments.

**According to the provisional data released by the Ministry of Trade, exports increased by 11.0% yoy to \$25.0 billion and imports rose by 5.4% yoy to \$31.4 billion in July.** Thus, foreign trade deficit decreased by \$0.9 billion yoy to \$6.4 billion in July. Over the first seven months of the year, the foreign trade deficit was realized as \$55.9 billion, while the 12-month cumulative deficit narrowed from \$89.2 billion to \$88.3 billion (Table 1 and Chart 1).

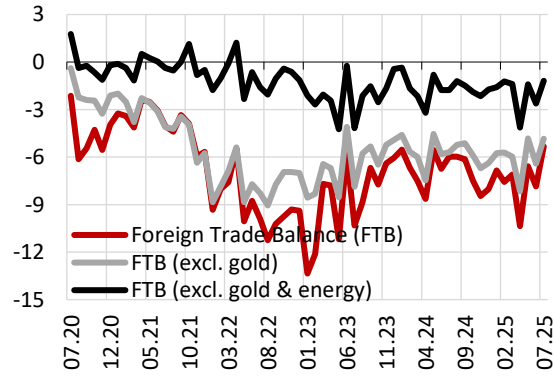
**In seasonally and calendar adjusted (s.a.) terms,** foreign trade balance posted a significant improvement and recorded its lowest reading since the last quarter of 2021. The monthly improvement was maintained even after excluding the significant slowdown in gold imports and the positive impact of the retreat in international prices on energy imports (Chart 2). However, contrary to the headline, core indicators are at a 12-months low.

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



Source: TURKSTAT, MoT, Akbank

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



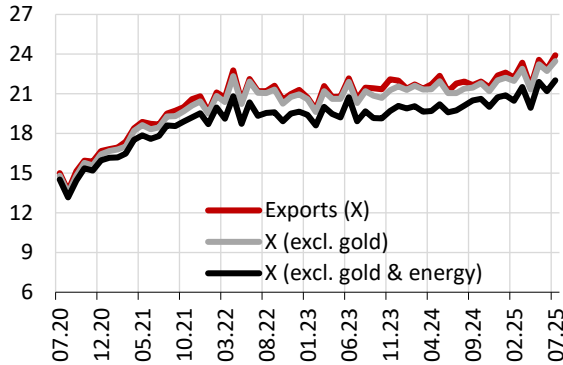
## Exports

**Exports (s.a.) rose by 4.6% mom in July** (Table 3, Chart 3). Gold exports totaled \$443 million in July, above the 3-month average of the last 3 months (\$228 million). Energy exports (s.a.), which increased by 14.5% mom in June due to the rise in oil prices, decreased by 5.3% mom in July due to the decline in prices. Thus, the monthly increase in exports excluding gold and energy (s.a.) was realized as 3.9%.

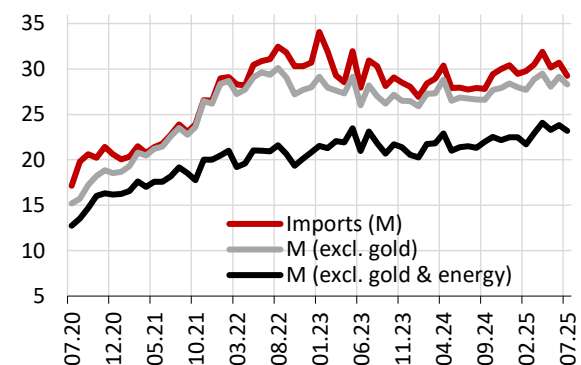
**According to regional data (s.a.),** exports to the EU-27 decreased on a monthly basis despite the rise in parity (1.15→1.17). Exports to regions other than the EU-27, on the other hand, increased across the board, with a stronger increase in the Near and Middle East (Charts 5 and 6, Table 3).

**According to goods groups**, the rise in exports (s.a.) was widespread. While the monthly increase was 8.8% in capital goods, it was 4.4% and 4.1% in intermediate goods and consumer goods, respectively (Charts 7 and 8, Table 3).

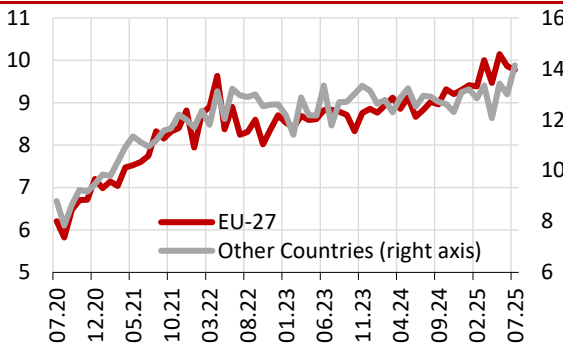
**Chart 3. Exports (seasonally adj., billion \$)**



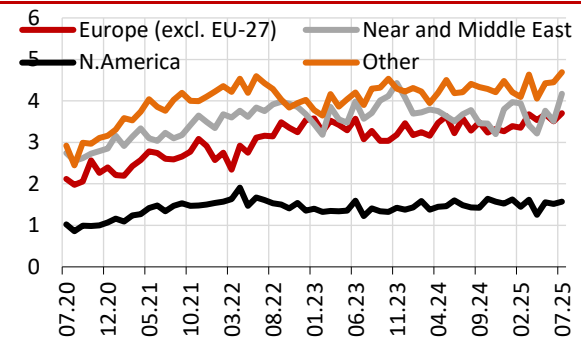
**Chart 4. Imports (seasonally adj., billion \$)**



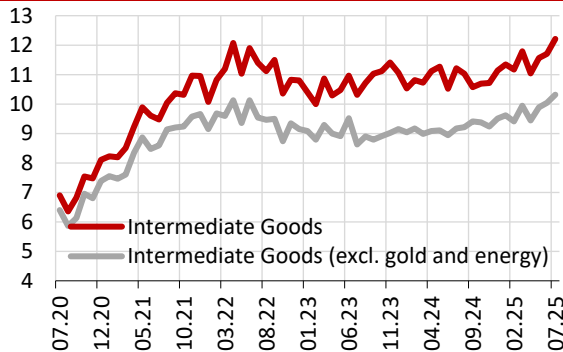
**Chart 5. Exports by Region (seasonally adjusted, billion \$)**



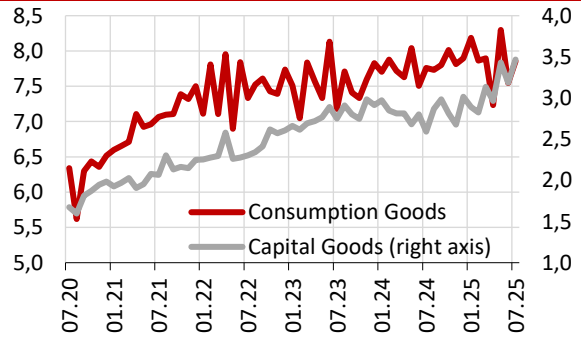
**Chart 6. Exports by Region (seasonally adjusted, billion \$)**



**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.) fell by 4.7% mom** (Chart 4, Table 3). **Gold imports** fell to \$943 million, the lowest level since May 2022, and to \$20.5 billion in 12-month cumulative terms (Chart 9). **Energy imports (s.a.)** fell by 4.4% mom as the negative impact of geopolitical tensions on oil prices faded. Excluding gold and energy, the monthly decline in core imports (s.a.) was more limited at 2.6%.

The decline in core imports was mainly driven by the 5.2% fall in imports of intermediate goods excluding gold and energy and the 2.0% fall in imports of consumption goods. On the other hand, imports of capital goods rose by 2.1% (Charts 11-12). The decline in jewelry imports continued.

Excluding jewelry, imports of consumption goods decreased by 0.6% mom (Chart 12, Table 3). As a result, the coverage ratio excluding gold and energy (s.a.) rose from 89.0% to 94.9% (Chart 13).

Chart 9. Gold Imports (billion \$)



Chart 10. Energy Imports (billion \$)

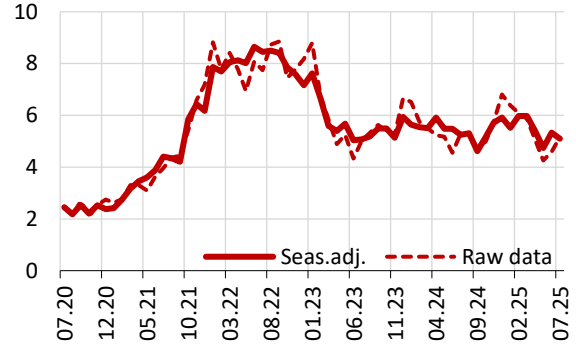


Chart 11. Intermediate Goods Imports (seasonally adjusted, billion \$)

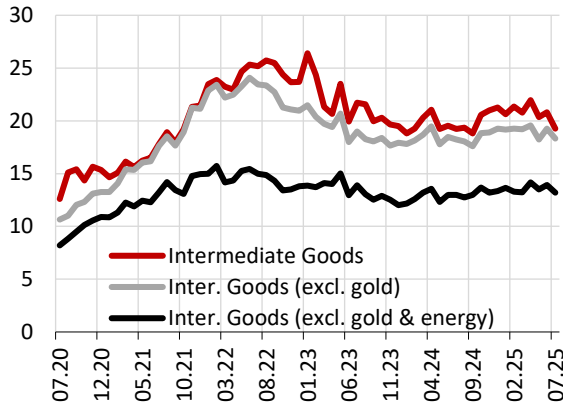


Chart 12. Capital and Consumption Goods Imports (seasonally adjusted, billion \$)

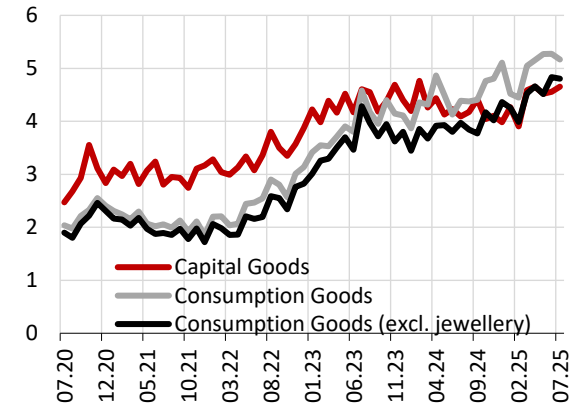
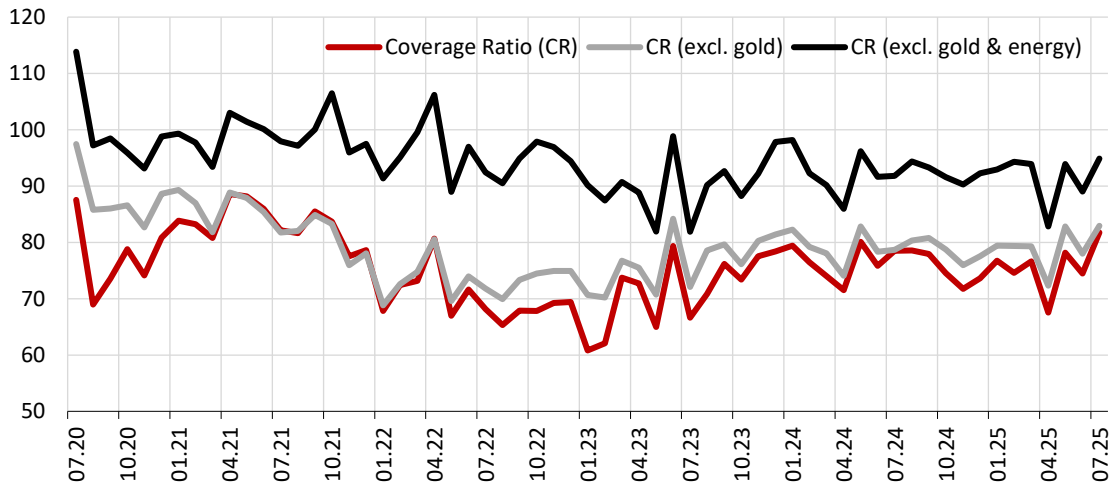


Chart 13. Coverage Ratio (% , seasonally adjusted)



Source: TURKSTAT, MoT, Akbank

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

	2020	2021	2022	2023	2024	12-Month Cum.	First 7 Months	
						July 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>-88.3</b>	<b>-49.8</b>	<b>-55.9</b>
Exports	169.6	225.2	254.2	255.6	261.8	269.4	148.7	156.4
Imports	219.5	271.4	363.7	362.0	344.0	357.7	198.5	212.2
<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>-22.3</b>	<b>-15.3</b>	<b>-18.0</b>
Exports (excl. gold and energy)	162.5	213.2	234.8	234.9	241.7	249.9	136.4	144.6
Imports (excl. gold and energy)	165.4	215.2	246.7	262.8	261.3	272.3	151.7	162.6
<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>-16.7</b>	<b>-6.8</b>	<b>-10.0</b>
Exports (gold)	2.5	3.6	2.9	4.3	3.5	3.8	1.9	2.2
Imports (gold)	25.2	5.5	20.4	30.0	17.1	20.5	8.8	12.2
<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>-49.2</b>	<b>-27.7</b>	<b>-27.8</b>
Exports (energy)	4.7	8.5	16.4	16.4	16.6	15.7	10.4	9.6
Imports (energy)	28.9	50.7	96.5	69.1	65.6	65.0	38.0	37.4
<b>Exports</b>	<b>169.6</b>	<b>225.2</b>	<b>254.2</b>	<b>255.6</b>	<b>261.8</b>	<b>269.4</b>	<b>148.7</b>	<b>156.4</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>113.8</b>	<b>62.4</b>	<b>67.8</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>155.6</b>	<b>86.3</b>	<b>88.6</b>
Exports (Other Europe)	24.4	31.5	36.6	39.7	40.1	41.4	22.5	23.8
Exports (Near and Middle East)	31.3	38.4	45.0	45.6	43.6	43.7	24.8	24.8
Exports (North America)	11.2	16.4	18.8	16.5	18.1	18.2	10.2	10.3
Exports (Other)	32.7	45.9	50.7	49.6	51.5	52.3	28.8	29.6
<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>36.4</b>	<b>18.8</b>	<b>21.2</b>
<b>Exports (Intermediate Goods)</b>	<b>80.3</b>	<b>115.2</b>	<b>133.4</b>	<b>129.0</b>	<b>130.6</b>	<b>134.8</b>	<b>75.5</b>	<b>79.6</b>
Inter. Goods Exp. (excl. gold and energy)	73.2	103.1	114.1	108.3	110.6	115.3	63.2	67.9
<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>94.1</b>	<b>52.7</b>	<b>53.1</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>357.7</b>	<b>198.5</b>	<b>212.2</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>51.8</b>	<b>29.3</b>	<b>30.5</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>246.2</b>	<b>138.5</b>	<b>146.5</b>
Inter. Goods Imp. (excl. gold)	137.8	204.6	272.0	231.3	221.2	225.7	129.7	134.3
Inter. Goods Imp. (excl. gold and energy)	108.9	154.0	175.4	162.2	155.6	160.7	91.7	96.9
<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>58.8</b>	<b>30.4</b>	<b>34.8</b>
Jewelry Imports	1.4	1.6	3.0	3.9	7.8	7.2	4.0	3.4
Consumption Goods Imp. (excl. jewelry)	22.7	23.4	27.5	43.7	46.7	51.7	26.4	31.4
<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>75.5</b>	<b>74.9</b>	<b>73.7</b>
Coverage Ratio (excl. gold)	85.7	83.7	73.2	76.0	79.1	78.9	77.4	77.1
Coverage Ratio (excl. gold and energy)	97.8	99.2	95.2	89.9	92.7	92.1	90.2	89.2

Source: TURKSTAT, MoT

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

	Apr.25	May.25	Jun.25	July.25	2024-Q4	2025-Q1	2025-Q2	2025-Q3*
<b>Foreign Trade Balance</b>	<b>-12.1</b>	<b>-6.6</b>	<b>-8.2</b>	<b>-6.4</b>	<b>-22.3</b>	<b>-22.5</b>	<b>-26.9</b>	<b>-6.4</b>
Exports	20.8	24.8	20.5	25.0	69.1	65.3	66.1	25.0
Imports	32.9	31.5	28.7	31.4	91.4	87.8	93.0	31.4
<b>Foreign Trade Balance (excl. gold and energy)</b>	<b>-6.2</b>	<b>-1.9</b>	<b>-3.6</b>	<b>-2.2</b>	<b>-3.6</b>	<b>-4.2</b>	<b>-11.7</b>	<b>-2.2</b>
Exports (excl. gold and energy)	19.2	23.2	19.0	23.1	64.5	60.1	61.4	23.1
Imports (excl. gold and energy)	25.4	25.1	22.5	25.3	68.0	64.3	73.0	25.3
<b>Foreign Trade Balance (gold)</b>	<b>-2.2</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.5</b>	<b>-5.0</b>	<b>-4.1</b>	<b>-5.4</b>	<b>-0.5</b>
Exports (gold)	0.2	0.3	0.1	0.4	0.8	1.1	0.7	0.4
Imports (gold)	2.4	2.1	1.6	0.9	5.8	5.2	6.1	0.9
<b>Foreign Trade Balance (energy)</b>	<b>-3.7</b>	<b>-3.0</b>	<b>-3.2</b>	<b>-3.8</b>	<b>-13.7</b>	<b>-14.2</b>	<b>-9.9</b>	<b>-3.8</b>
Exports (energy)	1.3	1.3	1.4	1.4	3.8	4.1	4.1	1.4
Imports (energy)	5.1	4.3	4.6	5.2	17.5	18.3	13.9	5.2
<b>Exports</b>	<b>20.8</b>	<b>24.8</b>	<b>20.5</b>	<b>25.0</b>	<b>69.1</b>	<b>65.3</b>	<b>66.1</b>	<b>25.0</b>
<b>Exports (EU-27)</b>	<b>9.2</b>	<b>10.9</b>	<b>9.4</b>	<b>10.1</b>	<b>28.3</b>	<b>28.3</b>	<b>29.4</b>	<b>10.1</b>
<b>Exports (excl. EU-27)</b>	<b>11.6</b>	<b>14.0</b>	<b>11.2</b>	<b>14.8</b>	<b>40.8</b>	<b>37.0</b>	<b>36.7</b>	<b>14.8</b>
Exports (Other Europe)	3.3	3.7	3.1	3.9	10.5	9.7	10.2	3.9
Exports (Near and Middle East)	3.0	3.8	2.8	4.3	11.5	10.9	9.7	4.3
Exports (North America)	1.3	1.7	1.3	1.7	5.0	4.3	4.3	1.7
Exports (Other)	4.0	4.7	3.9	4.9	13.9	12.1	12.6	4.9
<b>Exports (Capital Goods)</b>	<b>2.9</b>	<b>3.6</b>	<b>2.8</b>	<b>3.7</b>	<b>9.3</b>	<b>8.2</b>	<b>9.3</b>	<b>3.7</b>
<b>Exports (Intermediate Goods)</b>	<b>10.8</b>	<b>12.2</b>	<b>10.7</b>	<b>12.8</b>	<b>33.0</b>	<b>33.0</b>	<b>33.8</b>	<b>12.8</b>
Inter. Goods Exp. (excl. gold and energy)	9.3	10.6	9.2	11.0	28.3	27.8	29.1	11.0
<b>Exports (Consumption Goods)</b>	<b>6.8</b>	<b>8.6</b>	<b>6.5</b>	<b>7.9</b>	<b>25.6</b>	<b>23.2</b>	<b>21.9</b>	<b>7.9</b>
<b>Imports</b>	<b>32.9</b>	<b>31.5</b>	<b>28.7</b>	<b>31.4</b>	<b>91.4</b>	<b>87.8</b>	<b>93.0</b>	<b>31.4</b>
<b>Imports (Capital Goods)</b>	<b>4.6</b>	<b>4.6</b>	<b>4.2</b>	<b>5.4</b>	<b>12.9</b>	<b>11.7</b>	<b>13.4</b>	<b>5.4</b>
<b>Imports (Intermediate Goods)</b>	<b>22.8</b>	<b>21.3</b>	<b>19.4</b>	<b>20.5</b>	<b>62.5</b>	<b>62.5</b>	<b>63.5</b>	<b>20.5</b>
Inter. Goods Imp. (excl. gold)	20.4	19.2	17.9	19.5	56.7	57.3	57.4	19.5
Inter. Goods Imp.(excl. gold and energy)	15.4	14.9	13.3	14.4	39.2	39.0	43.5	14.4
<b>Imports (Consumption Goods)</b>	<b>5.4</b>	<b>5.6</b>	<b>5.1</b>	<b>5.3</b>	<b>15.7</b>	<b>13.4</b>	<b>16.0</b>	<b>5.3</b>
Jewelry Imports	0.7	1.0	0.3	0.3	2.7	1.2	1.9	0.3
Consumption Goods Imp. (excl. jewelry)	4.7	4.6	4.8	5.1	13.0	12.2	14.1	5.1
<b>Coverage Ratio</b>	<b>63.2</b>	<b>78.9</b>	<b>71.5</b>	<b>79.5</b>	<b>75.6</b>	<b>74.4</b>	<b>71.1</b>	<b>79.5</b>
Coverage Ratio (excl. gold)	67.5	83.4	75.1	80.5	79.8	77.7	75.2	80.5
Coverage Ratio (excl. gold and energy)	75.7	92.4	84.1	91.5	94.8	93.4	84.0	91.5

\*As of July

Source: TURKSTAT, MoT

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	Apr.25	May.25	Jun.25	July.25	2024-Q4	2025-Q1	2025-Q2	2025-Q3*
<b>Exports</b>	<b>-7.8</b>	<b>9.5</b>	<b>-3.0</b>	<b>4.6</b>	<b>0.7</b>	<b>3.6</b>	<b>-0.3</b>	<b>5.6</b>
<b>Exports (excl. gold)</b>	<b>-6.9</b>	<b>9.0</b>	<b>-2.2</b>	<b>3.3</b>	<b>1.7</b>	<b>3.2</b>	<b>0.3</b>	<b>4.7</b>
Energy Exports	-1.5	-2.7	14.5	-5.3	1.6	17.1	0.3	2.5
Exports (excl. gold and energy)	-7.3	9.8	-3.2	3.9	1.7	2.4	0.3	4.8
<b>Exports (gold)</b>	<b>-51.2</b>	<b>56.0</b>	<b>-62.3</b>	<b>246.5</b>	<b>-44.7</b>	<b>34.9</b>	<b>-37.2</b>	<b>94.0</b>
<b>Exports (EU-27)</b>	<b>-5.4</b>	<b>7.2</b>	<b>-2.8</b>	<b>-0.8</b>	<b>3.7</b>	<b>3.5</b>	<b>2.3</b>	<b>-0.5</b>
Exports (Other Europe)	-9.6	11.3	-3.2	8.8	-1.4	3.6	-2.3	10.2
Exports (Near and Middle East)	-3.7	3.9	-4.6	5.5	-4.9	6.0	2.9	3.6
Exports (North America)	-6.0	17.2	-6.5	18.7	-4.3	8.4	-7.4	19.4
Exports (Other)	-22.2	23.9	-2.5	3.2	8.9	-1.0	-7.5	8.5
<b>Exports (excl. EU-27)</b>	<b>-12.5</b>	<b>9.2</b>	<b>0.5</b>	<b>5.4</b>	<b>0.3</b>	<b>-0.3</b>	<b>-0.1</b>	<b>8.8</b>
<b>Exports (Capital Goods)</b>	<b>-5.5</b>	<b>15.9</b>	<b>-7.2</b>	<b>8.8</b>	<b>0.7</b>	<b>4.1</b>	<b>8.3</b>	<b>8.5</b>
<b>Exports (Intermediate Goods)</b>	<b>-6.4</b>	<b>4.7</b>	<b>1.2</b>	<b>4.4</b>	<b>-0.8</b>	<b>5.4</b>	<b>0.0</b>	<b>6.8</b>
Inter. Goods (excl. gold and energy)	-5.0	4.6	1.6	2.8	1.1	3.0	1.4	5.4
<b>Exports (Consumption Goods)</b>	<b>-8.4</b>	<b>14.7</b>	<b>-9.1</b>	<b>4.1</b>	<b>1.9</b>	<b>0.9</b>	<b>-3.6</b>	<b>2.1</b>
<b>Imports</b>	<b>4.7</b>	<b>-5.4</b>	<b>1.8</b>	<b>-4.7</b>	<b>7.6</b>	<b>-0.1</b>	<b>3.4</b>	<b>-5.4</b>
<b>Imports (excl. gold)</b>	<b>2.1</b>	<b>-4.9</b>	<b>3.9</b>	<b>-2.9</b>	<b>5.0</b>	<b>0.7</b>	<b>2.5</b>	<b>-2.0</b>
Imports (excl. gold and energy)	5.2	-3.2	2.2	-2.6	3.7	-0.2	6.1	-2.2
Energy Imports	-9.6	-12.2	12.5	-4.4	10.7	4.1	-11.4	-1.1
<b>Imports (gold)</b>	<b>50.8</b>	<b>-12.0</b>	<b>-26.6</b>	<b>-39.2</b>	<b>66.4</b>	<b>-11.1</b>	<b>17.2</b>	<b>-53.4</b>
<b>Imports (Capital Goods)</b>	<b>1.5</b>	<b>-2.8</b>	<b>0.9</b>	<b>2.1</b>	<b>-4.4</b>	<b>5.2</b>	<b>7.7</b>	<b>1.7</b>
<b>Imports (Intermediate Goods)</b>	<b>5.7</b>	<b>-7.4</b>	<b>2.3</b>	<b>-7.5</b>	<b>9.5</b>	<b>0.0</b>	<b>0.5</b>	<b>-8.5</b>
Inter. Goods Imp. (excl. gold and energy)	7.1	-4.7	3.2	-5.2	3.8	-0.2	3.6	-4.7
Inter. Goods Imp. (excl. gold)	1.9	-6.8	5.7	-5.0	5.8	1.1	-0.9	-3.8
<b>Imports (Consumption Goods)</b>	<b>2.1</b>	<b>2.3</b>	<b>0.0</b>	<b>-2.0</b>	<b>11.5</b>	<b>-4.5</b>	<b>12.0</b>	<b>-1.2</b>
Jewelry Imports	-5.2	54.2	-42.0	-17.3	34.6	-41.2	35.3	-35.4
Consumption Goods Imp. (excl. jewelry)	3.0	-3.2	7.1	-0.6	8.3	1.7	9.7	2.9

\*As of July

Source: TURKSTAT, MoT, Akbank

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