

Macro: Significant improvement in the trade balance in August

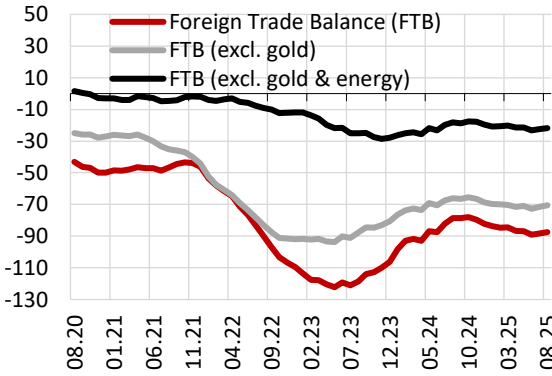
According to the provisional data released by the Ministry of Trade, foreign trade deficit decreased by \$0.8 billion in August compared to the same month last year, reaching \$4.2 billion. Thus, the 12-month cumulative foreign deficit declined from \$88.3 billion to \$87.5 billion. Seasonally adjusted trade balance recorded a marked improvement on a monthly basis, with core indicators also showing improvement. The improvement in the trade balance was driven by imports declining at a faster rate than exports.

We estimate that the current account balance will give a surplus of around \$4.5 billion in August, thanks to the seasonally increasing contribution of services revenues. If the favorable trend implied by the August data persists over the rest of the year, the current account deficit is likely to decline to \$15 billion by the year-end (1.0% of GDP).

According to the provisional data released by the Ministry of Trade, exports decreased by 0.9% year-on-year (yoy) to \$21.8 billion, while imports fell by 3.9% yoy to \$26.0 billion in August. Thus, the trade deficit in August decreased by \$0.8 billion yoy to \$4.2 billion. The foreign trade deficit was \$60.1 billion in the first eight months of the year, while the 12-month cumulative figure declined from \$88.3 billion to \$87.5 billion (Table 1 and Chart 1).

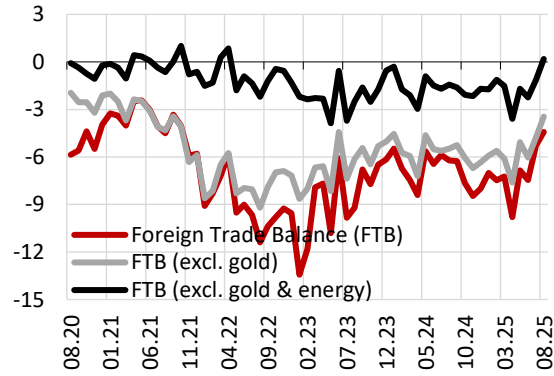
In seasonally and calendar adjusted (s.a.) terms, foreign trade balance posted a significant improvement over the last two months; the trade deficit reached its lowest level since October 2021. The decline in imports exceeded the decline in exports and this led to the monthly improvement in trade balance. The decline in energy and core imports pulled down total imports (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.) decreased by 4.3% on a monthly basis (mom) in August (Table 3, Chart 3). Gold exports fell to \$159 million in August (July: \$443 million). Energy exports (s.a.) declined sharply by 15.1% mom. Thus, the monthly decline in exports excluding gold and energy (s.a.) was 2.4%.

According to regional data, exports to EU-27 countries (s.a.) increased on a monthly basis after two months of decline. The most significant decline in exports to regions outside the EU-27 took place in Other Europe and North America (Charts 5 and 6, Table 3).

According to goods groups (s.a.), the decline in exports was widespread. The monthly decline was 8.4% for intermediate goods and 3.5% for capital goods. The decline was limited for consumption goods (Charts 7 and 8, Table 3).

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

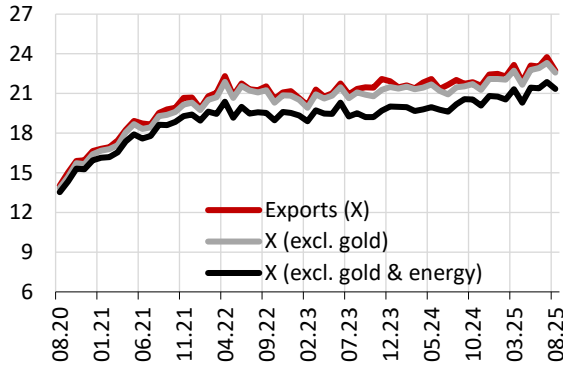


Chart 4. Imports (seasonally adj., billion \$)

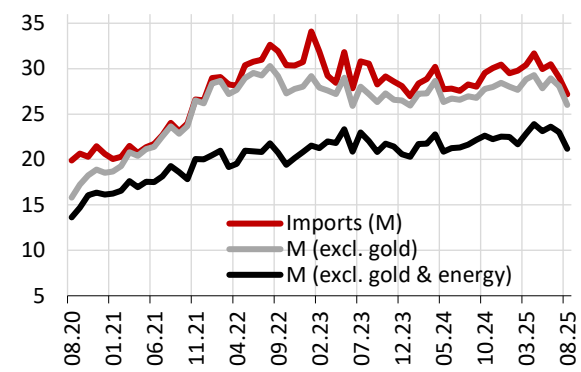


Chart 5. Exports by Region (seasonally adjusted, billion \$)

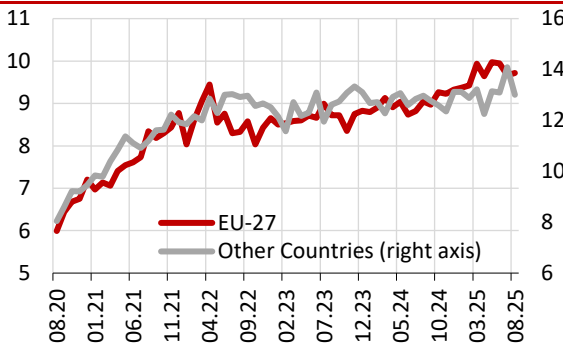


Chart 6. Exports by Region (seasonally adjusted, billion \$)

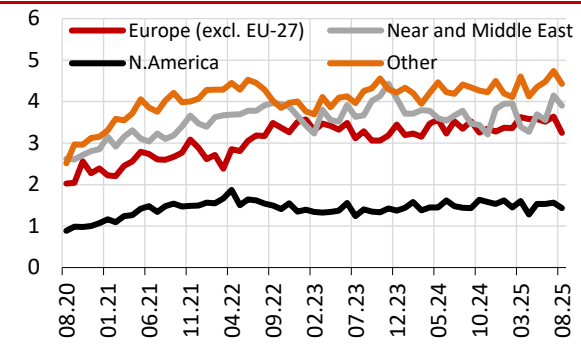


Chart 7. Intermediate Goods Exports (seasonally adjusted, billion \$)

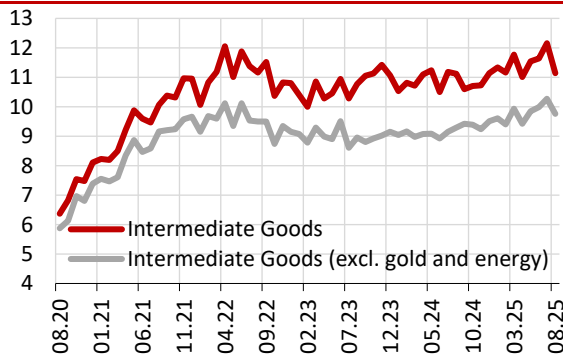
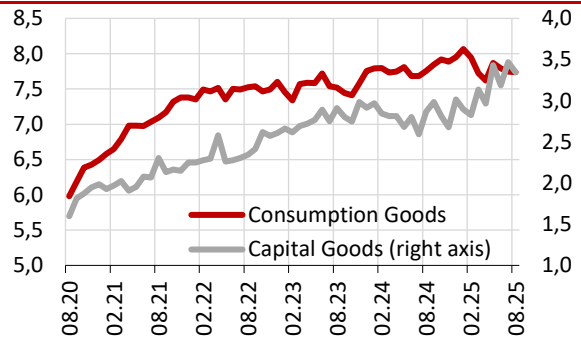


Chart 8. Capital and Consumption Goods Exports (seasonally adjusted, billion \$)



Source: TURKSTAT, MoT, Akbank

Imports

Imports (s.a.) have been declining on a monthly basis for the past two months; the monthly decline in August was 6.4% (Chart 4, Table 3). Gold imports remained low at \$1.1 billion, while the 12-month cumulative figure declined from \$20.5 billion to \$20.4 billion (Chart 9). Energy imports (s.a.) have been declining on a monthly basis since the beginning of the year (except for February and June); in August, they fell by 4.5% mom. The decline in oil prices (average Brent oil price; July: \$69.6/bbl→August: \$67.3/bbl) also contributed to this development. The monthly decline in core imports (s.a.), excluding gold and energy, was high at 8.0%.

The decline in core imports (s.a.) was driven by a 12.1% drop in capital goods imports and a 9.9% decrease in consumer goods imports. Excluding gold and energy, imports of intermediate goods (s.a.) fell by 5.1% mom (Charts 11-12). The decline in jewelry imports continued. Excluding jewelry, imports of consumption goods fell by 9.8% mom (Chart 12, Table 3). As a result, the coverage ratio excluding gold and energy (s.a.) rose from 95.1% to 100.8% (Chart 13).

Chart 9. Gold Imports (billion \$)



Chart 10. Energy Imports (billion \$)

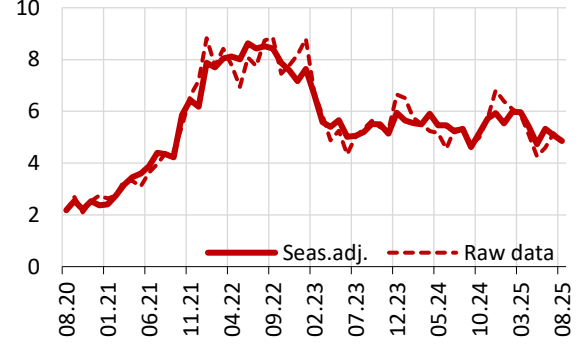


Chart 11. Intermediate Goods Imports (seasonally adjusted, billion \$)

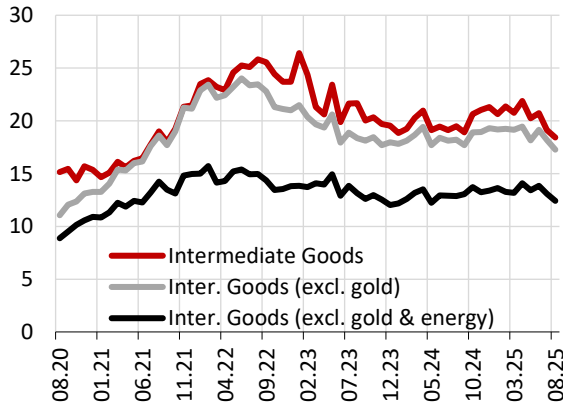


Chart 12. Capital and Consumption Goods Imports (seasonally adjusted, billion \$)

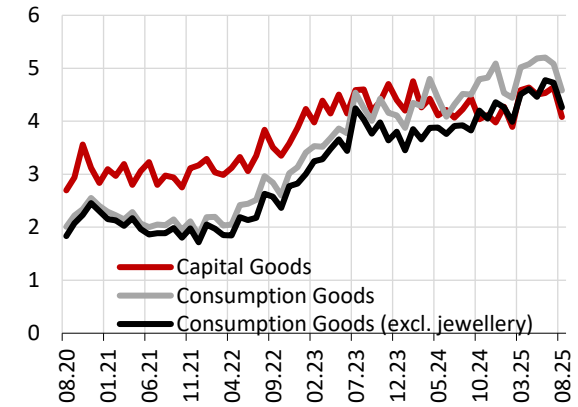
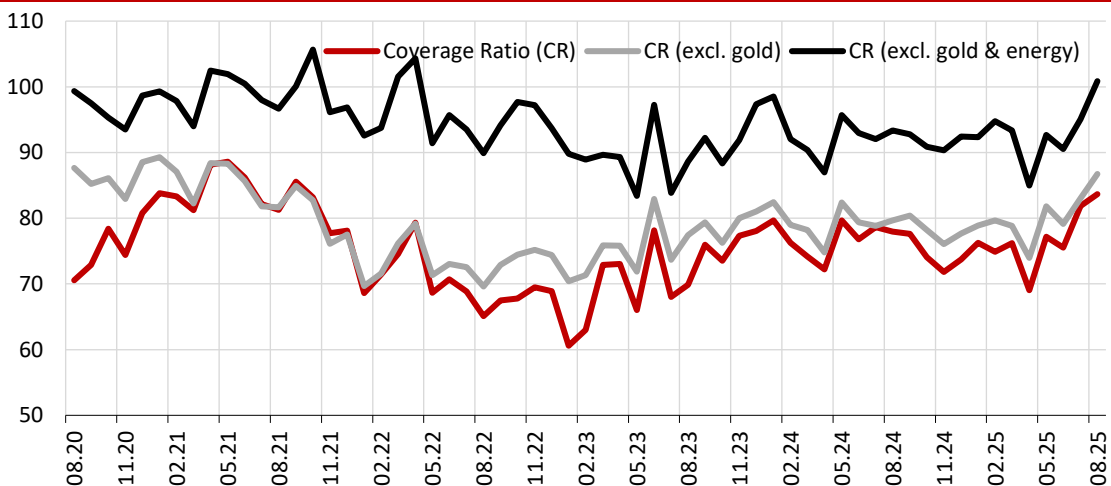


Chart 13. Coverage Ratio (% , seasonally adjusted)



Source: TURKSTAT, MoT, Akbank

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

	2020	2021	2022	2023	2024	12-Month Cum.	First 8 Months	
						August 2025	2024	2025
Foreign Trade Balance	-49.9	-46.2	-109.5	-106.3	-82.2	-87.5	-54.8	-60.1
Exports	169.6	225.2	254.2	255.6	261.8	269.2	170.7	178.1
Imports	219.5	271.4	363.7	362.0	344.0	356.7	225.5	238.2
Foreign Trade Balance (excl. gold and energy)	-3.0	-2.1	-11.9	-27.9	-19.6	-21.7	-15.6	-17.7
Exports (excl. gold and energy)	162.5	213.2	234.8	234.9	241.7	250.1	156.5	164.9
Imports (excl. gold and energy)	165.4	215.2	246.7	262.8	261.3	271.8	172.1	182.6
Foreign Trade Balance (gold)	-22.7	-1.9	-17.5	-25.7	-13.6	-17.0	-7.6	-11.0
Exports (gold)	2.5	3.6	2.9	4.3	3.5	3.4	2.5	2.4
Imports (gold)	25.2	5.5	20.4	30.0	17.1	20.4	10.1	13.3
Foreign Trade Balance (energy)	-24.2	-42.2	-80.1	-52.7	-49.0	-48.8	-31.6	-31.4
Exports (energy)	4.7	8.5	16.4	16.4	16.6	15.7	11.7	10.9
Imports (energy)	28.9	50.7	96.5	69.1	65.6	64.5	43.4	42.2
Exports	169.6	225.2	254.2	255.6	261.8	269.2	170.7	178.1
Exports (EU-27)	70.0	93.1	103.0	104.3	108.5	114.1	71.2	76.8
Exports (excl. EU-27)	99.6	132.2	151.1	151.3	153.3	155.1	99.5	101.3
Exports (Other Europe)	24.4	31.5	36.6	39.7	40.1	41.2	25.9	27.0
Exports (Near and Middle East)	31.3	38.4	45.0	45.6	43.6	43.6	28.6	28.7
Exports (North America)	11.2	16.4	18.8	16.5	18.1	18.1	11.6	11.7
Exports (Other)	32.7	45.9	50.7	49.6	51.5	52.2	33.3	34.0
Exports (Capital Goods)	19.8	24.8	29.0	33.7	33.9	36.7	21.6	24.3
Exports (Intermediate Goods)	80.3	115.2	133.4	129.0	130.6	134.4	86.9	90.7
Inter. Goods Exp. (excl. gold and energy)	73.2	103.1	114.1	108.3	110.6	115.3	72.7	77.4
Exports (Consumption Goods)	68.3	83.8	89.8	90.7	93.7	93.7	60.3	60.3
Imports	219.5	271.4	363.7	362.0	344.0	356.7	225.5	238.2
Imports (Capital Goods)	31.8	35.9	40.5	52.7	50.6	51.7	33.3	34.4
Imports (Intermediate Goods)	163.0	210.1	292.4	261.3	238.3	245.1	157.3	164.2
Inter. Goods Imp. (excl. gold)	137.8	204.6	272.0	231.3	221.2	224.7	147.3	150.9
Inter. Goods Imp. (excl. gold and energy)	108.9	154.0	175.4	162.2	155.6	160.3	103.9	108.6
Imports (Consumption Goods)	24.1	24.9	30.5	47.6	54.5	59.0	34.6	39.1
Jewelry Imports	1.4	1.6	3.0	3.9	7.8	7.0	4.4	3.6
Consumption Goods Imp. (excl. jewelry)	22.7	23.4	27.5	43.7	46.7	52.0	30.1	35.4
Coverage Ratio	77.0	83.1	69.8	71.1	76.2	75.7	75.8	75.0
Coverage Ratio (excl. gold)	85.7	83.7	73.2	76.0	79.1	79.2	78.1	78.3
Coverage Ratio (excl. gold and energy)	97.8	99.2	95.2	89.9	92.7	92.3	91.2	90.7

Source: TURKSTAT, MoT

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

	May.25	Jun.25	July.25	Aug.25	2024-Q4	2025-Q1	2025-Q2	2025-Q3*
Foreign Trade Balance	-6.6	-8.2	-6.4	-4.2	-22.3	-22.5	-27.0	-10.6
Exports	24.8	20.5	24.9	21.8	69.1	65.3	66.1	46.7
Imports	31.5	28.7	31.4	26.0	91.4	87.8	93.0	57.3
Foreign Trade Balance (excl. gold and energy)	-1.9	-3.6	-2.2	0.4	-3.6	-4.2	-11.7	-1.8
Exports (excl. gold and energy)	23.2	18.9	23.1	20.3	64.5	60.1	61.3	43.5
Imports (excl. gold and energy)	25.1	22.5	25.3	20.0	68.0	64.3	73.0	45.3
Foreign Trade Balance (gold)	-1.8	-1.4	-0.5	-1.0	-5.0	-4.1	-5.4	-1.5
Exports (gold)	0.3	0.1	0.4	0.2	0.8	1.1	0.7	0.6
Imports (gold)	2.1	1.6	0.9	1.1	5.8	5.2	6.1	2.1
Foreign Trade Balance (energy)	-3.0	-3.2	-3.8	-3.6	-13.7	-14.2	-9.9	-7.3
Exports (energy)	1.3	1.4	1.4	1.3	3.8	4.1	4.1	2.7
Imports (energy)	4.3	4.6	5.2	4.8	17.5	18.3	13.9	10.0
Exports	24.8	20.5	24.9	21.8	69.1	65.3	66.1	46.7
Exports (EU-27)	10.9	9.3	10.0	9.1	28.3	28.3	29.4	19.1
Exports (excl. EU-27)	14.0	11.1	14.9	12.7	40.8	37.0	36.7	27.6
Exports (Other Europe)	3.7	3.1	3.9	3.2	10.5	9.7	10.2	7.1
Exports (Near and Middle East)	3.8	2.8	4.3	3.8	11.5	10.9	9.7	8.2
Exports (North America)	1.7	1.3	1.7	1.4	5.0	4.3	4.3	3.1
Exports (Other)	4.7	3.8	5.0	4.3	13.9	12.1	12.6	9.3
Exports (Capital Goods)	3.6	2.8	3.7	3.1	9.3	8.2	9.3	6.8
Exports (Intermediate Goods)	12.3	10.7	12.8	11.1	33.0	33.0	33.8	23.9
Inter. Goods Exp. (excl. gold and energy)	10.6	9.2	11.0	9.6	28.3	27.8	29.1	20.6
Exports (Consumption Goods)	8.6	6.5	7.9	7.2	25.6	23.2	21.9	15.2
Imports	31.5	28.7	31.4	26.0	91.4	87.8	93.0	57.3
Imports (Capital Goods)	4.6	4.2	5.4	3.9	12.9	11.7	13.4	9.3
Imports (Intermediate Goods)	21.3	19.4	20.5	17.7	62.5	62.5	63.5	38.2
Inter. Goods Imp. (excl. gold)	19.2	17.9	19.5	16.6	56.7	57.3	57.4	36.1
Inter. Goods Imp.(excl. gold and energy)	14.9	13.3	14.4	11.8	39.2	39.0	43.5	26.1
Imports (Consumption Goods)	5.6	5.1	5.3	4.3	15.7	13.4	16.0	9.6
Jewelry Imports	1.0	0.3	0.3	0.2	2.7	1.2	1.9	0.5
Consumption Goods Imp. (excl. jewelry)	4.6	4.8	5.1	4.1	13.0	12.2	14.1	9.2
Coverage Ratio	78.9	71.4	79.5	83.9	75.6	74.4	71.0	81.7
Coverage Ratio (excl. gold)	83.4	75.0	80.5	87.2	79.8	77.7	75.2	83.8
Coverage Ratio (excl. gold and energy)	92.4	84.0	91.4	101.8	94.8	93.5	84.0	96.6

*Sum of July and August

Source: TURKSTAT, MoT

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	May.25	Jun.25	July.25	Aug.25	2024-Q4	2025-Q1	2025-Q2	2025-Q3*
Exports	5.6	-0.4	3.1	-4.3	0.7	3.1	0.1	2.5
Exports (excl. gold)	5.1	0.6	1.8	-3.2	1.7	2.7	0.7	2.2
Energy Exports	-1.8	13.0	-5.2	-15.1	1.7	16.7	0.1	-5.6
Exports (excl. gold and energy)	5.6	-0.2	2.2	-2.4	1.7	1.9	0.8	2.7
Exports (gold)	56.0	-62.3	246.5	-64.0	-44.7	34.9	-37.2	31.9
Exports (EU-27)	3.5	-0.3	-2.8	0.6	3.7	3.3	2.9	-1.6
Exports (Other Europe)	7.3	-0.4	7.6	-7.7	-1.4	3.0	-1.9	5.6
Exports (Near and Middle East)	-0.1	-1.6	3.4	-10.7	-5.0	4.9	3.0	-3.2
Exports (North America)	13.0	-3.7	16.8	-6.0	-4.1	8.0	-6.9	14.9
Exports (Other)	19.5	0.2	1.8	-8.3	9.0	-1.5	-7.0	3.3
Exports (excl. EU-27)	5.4	3.0	5.7	-6.6	0.4	-0.7	0.5	6.1
Exports (Capital Goods)	15.8	-7.2	8.9	-3.5	0.7	4.1	8.2	6.7
Exports (Intermediate Goods)	4.8	0.9	4.5	-8.4	-1.0	5.2	-0.2	2.2
Inter. Goods (excl. gold and energy)	4.5	1.4	2.8	-5.0	1.0	2.9	1.1	2.7
Exports (Consumption Goods)	3.3	-1.0	-0.6	-0.1	2.0	-0.1	-1.9	-0.2
Imports	-5.5	1.8	-4.8	-6.4	7.4	-0.4	2.8	-8.5
Imports (excl. gold)	-4.9	3.9	-3.0	-7.3	4.8	0.4	1.9	-5.7
Imports (excl. gold and energy)	-3.2	2.2	-2.7	-8.0	3.4	-0.5	5.4	-6.2
Energy Imports	-12.4	12.6	-4.6	-4.5	10.9	4.0	-11.7	-3.6
Imports (gold)	-12.0	-26.6	-39.2	21.5	66.4	-11.1	17.2	-48.4
Imports (Capital Goods)	-2.9	0.7	2.4	-12.1	-4.7	5.2	7.2	-4.2
Imports (Intermediate Goods)	-7.4	2.3	-7.7	-3.6	9.5	-0.4	0.1	-10.4
Inter. Goods Imp. (excl. gold and energy)	-4.7	3.2	-5.4	-5.1	3.8	-0.6	3.1	-7.3
Inter. Goods Imp. (excl. gold)	-6.8	5.7	-5.1	-4.9	5.8	0.7	-1.4	-6.3
Imports (Consumption Goods)	2.1	0.4	-2.3	-9.9	10.2	-4.9	10.5	-6.3
Jewelry Imports	53.1	-41.0	-17.3	-10.1	25.6	-41.4	32.0	-38.0
Consumption Goods Imp. (excl. jewelry)	-3.2	7.1	-0.9	-9.8	8.1	1.2	8.5	-2.5

* July-Aug. average.

Source: TURKSTAT, MoT, Akbank

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