



REPUBLIC OF TÜRKİYE  
MINISTRY OF TRADE



TÜRKİYE  
CENTURY



THE 100TH ANNIVERSARY OF THE REPUBLIC OF TÜRKİYE

# ECONOMIC OUTLOOK

## July 2024

Last Updated: August 09, 2024

Note: The data, opinions, and assessments presented in this report do not constitute a commitment towards any individual, institution, or organization, and are solely for informational purposes.

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# **A- MACROECONOMIC DEVELOPMENTS**

# MACROECONOMIC DEVELOPMENTS

## Main Economic Indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023
GDP Growth, 2009 Prices, %	6.1	3.3	7.5	3	0.8	1.9	11.4	5.5	4.5
GDP, at Current Prices, Billion TL	2,351	2,627	3,134	3,761	4,318	5,049	7,256	15,012	26,276
GDP, at Current Prices, Billion USD	867	869	859	798	760	717	808	906	1,119
Population, Thousand People, Mid-Year	78,218	79,278	80,313	81,407	82,579	83,385	84,147	85,280	85,372
GDP Per Capita, at Current Prices, USD	11,085	10,964	10,696	9,799	9,208	8,600	9,601	10,659	13,110
Export (GTS, F.O.B.), Billion USD	151.0	149.2	164.5	177.2	180.8	169.6	225.2	254.2	255.6
Export (GTS)/GDP, %	17.4	17.2	19.1	22.2	23.8	23.7	27.9	28.1	22.8
Import (GTS, C.I.F.), Billion USD	213.6	202.2	238.7	231.2	210.3	219.5	271.4	363.7	362.0
Import (GTS)/GDP, %	24.6	23.3	27.8	29.0	27.7	30.6	33.6	40.2	32.3
Export/Import Ratio (% , GTS)	70.7	73.8	68.9	76.6	86.0	77.3	83	69.9	70.6
Travel Income, Billion USD	33.2	23.8	28.1	32.1	38.8	14.2	27.9	45.4	49.5
Foreign Direct Investment, Billion USD	19.3	13.8	11.2	12.5	9.5	7.7	12.9	13.7	10.6
Current Account Balance/GDP, %	-2.5	-2.6	-4.1	-1.8	2.0	-4.3	-0.8	-5.1	-4.0
Labor Force Participation Rate, %	51.3	52.0	52.8	53.2	53.0	49.3	51.4	53.1	53.3
Unemployment Rate, %	10.3	10.9	10.9	11.0	13.7	13.2	12.0	10.4	9.4
Employment Rate, %	46.0	46.3	47.1	47.4	45.7	42.8	45.2	47.5	48.3
CPI (2003=100), Annual Average, %	7.7	7.8	11.1	16.3	15.2	12.3	19.6	72.3	53.9

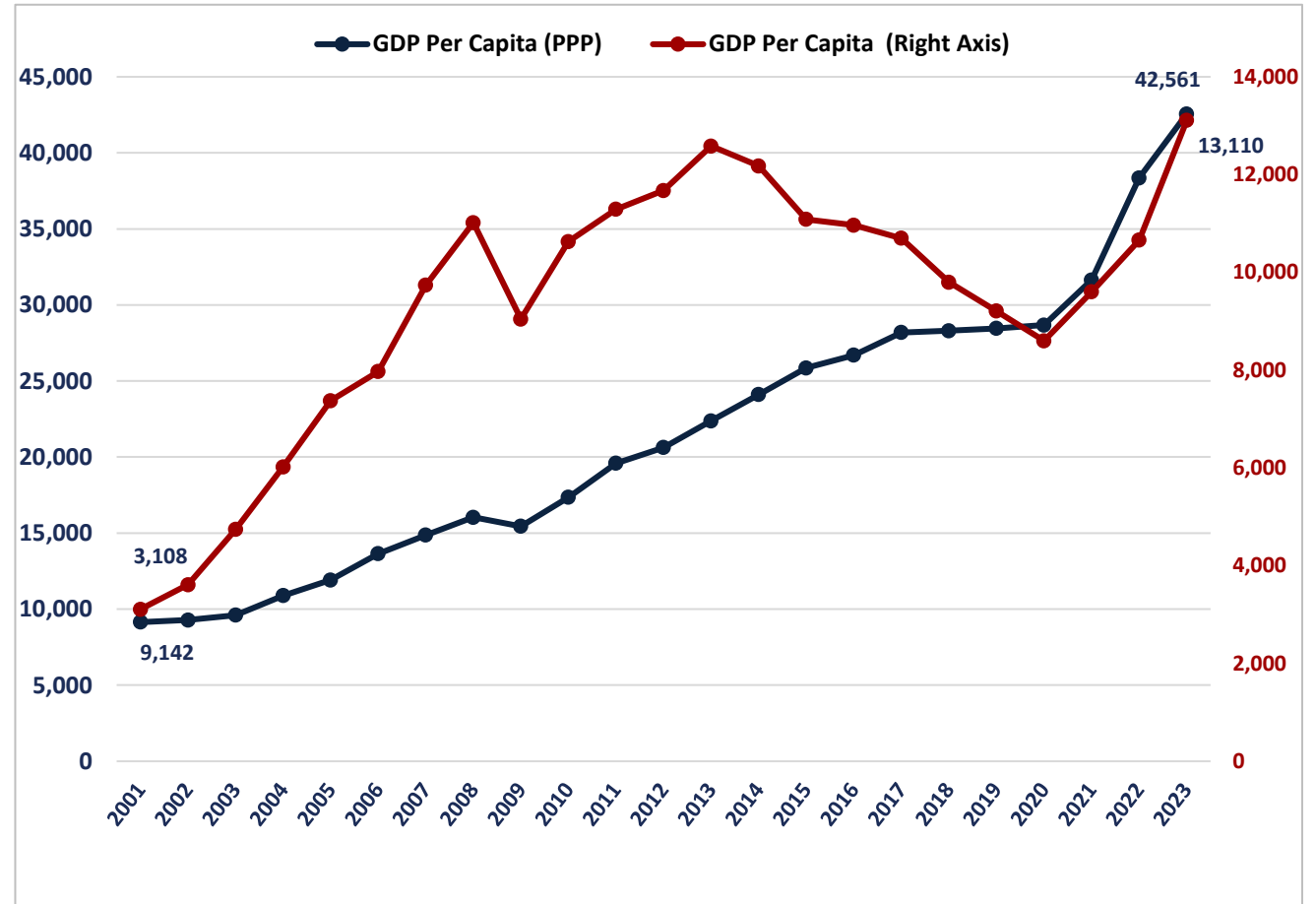
Source: TURKSTAT, CBRT

# MACROECONOMIC DEVELOPMENTS

## GDP Per Capita

- GDP per capita increased by 3.6 times in 2023 compared to 2002, from USD 3,608 to USD 13,110.
- In Purchasing Power Parity (PPP) terms, GDP per capita exceeded USD 42,561 in 2023.

GDP Per Capita, USD



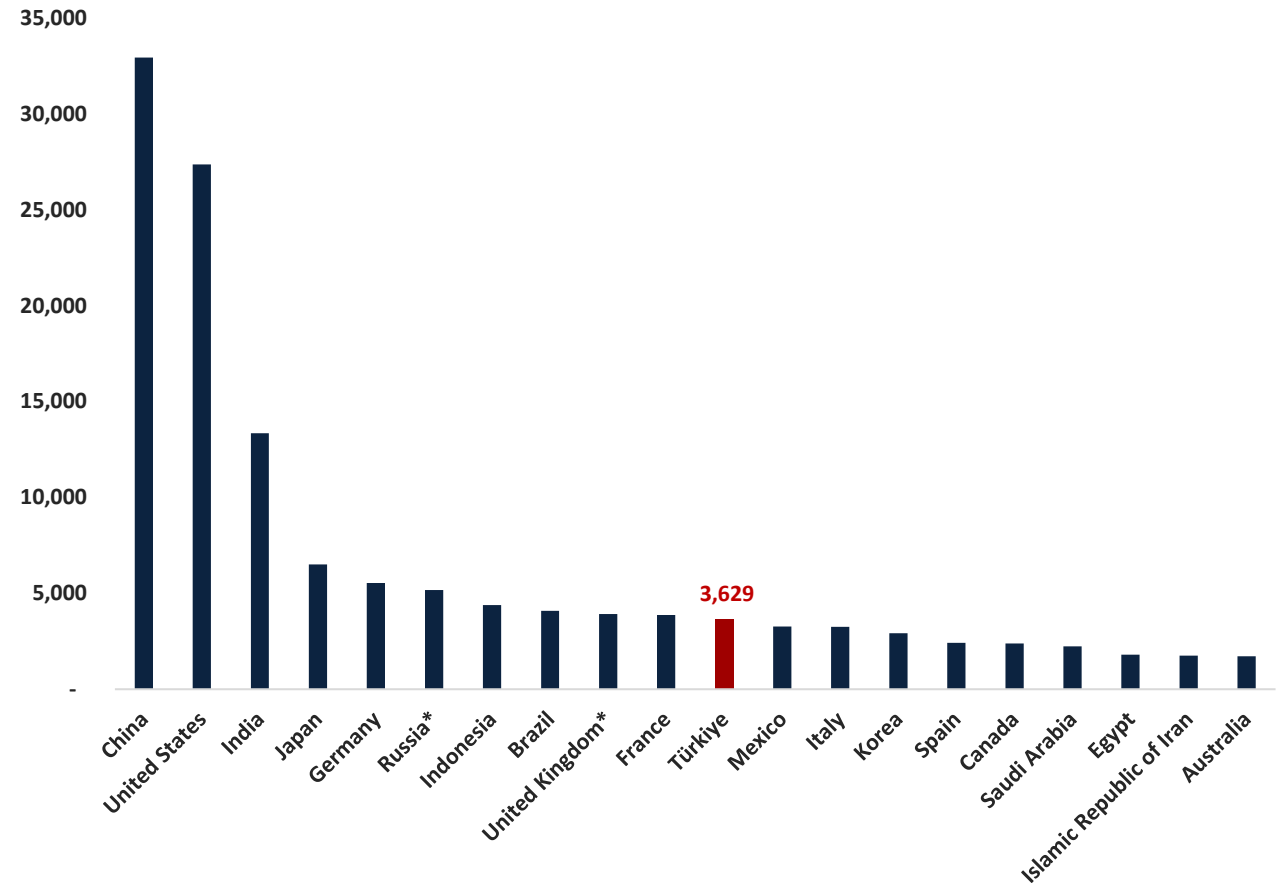
Source: TURKSTAT, PPP (2022)

# MACROECONOMIC DEVELOPMENTS

## Top 20 Economies

- In 2023, Türkiye ranked as the 11<sup>th</sup> largest economy in the world and the 4<sup>th</sup> in Europe according to Purchasing Power Parity GDP figures.

Top 20 Economies (Purchasing Power Parity (PPP))



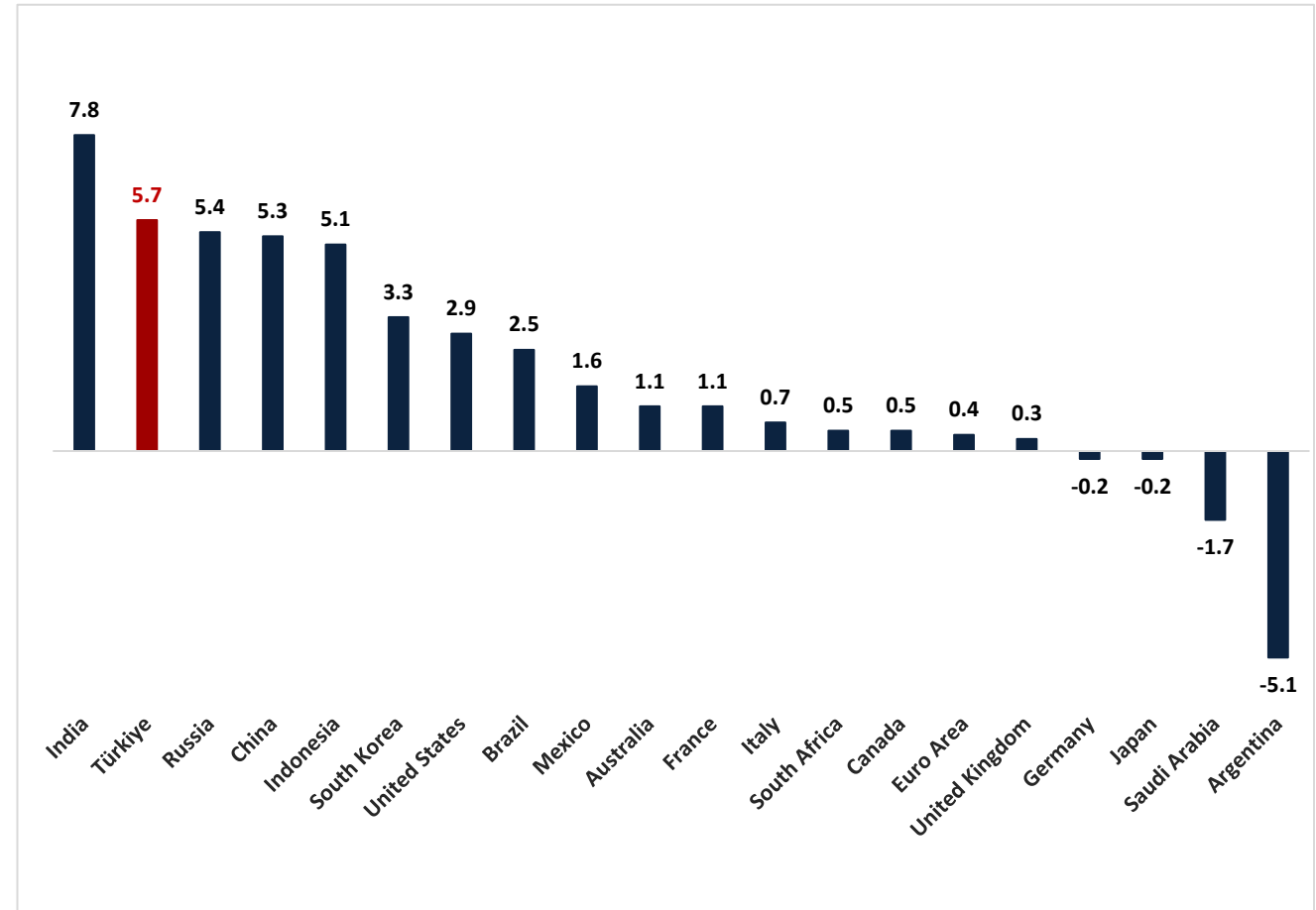
Source: IMF  
\*2022 Data.

# MACROECONOMIC DEVELOPMENTS

## GDP Growth of G20 Countries

- The Turkish economy grew by 5.7% in the first quarter of 2024.

GDP Changes (%) for G20 Countries (2024 Q1)



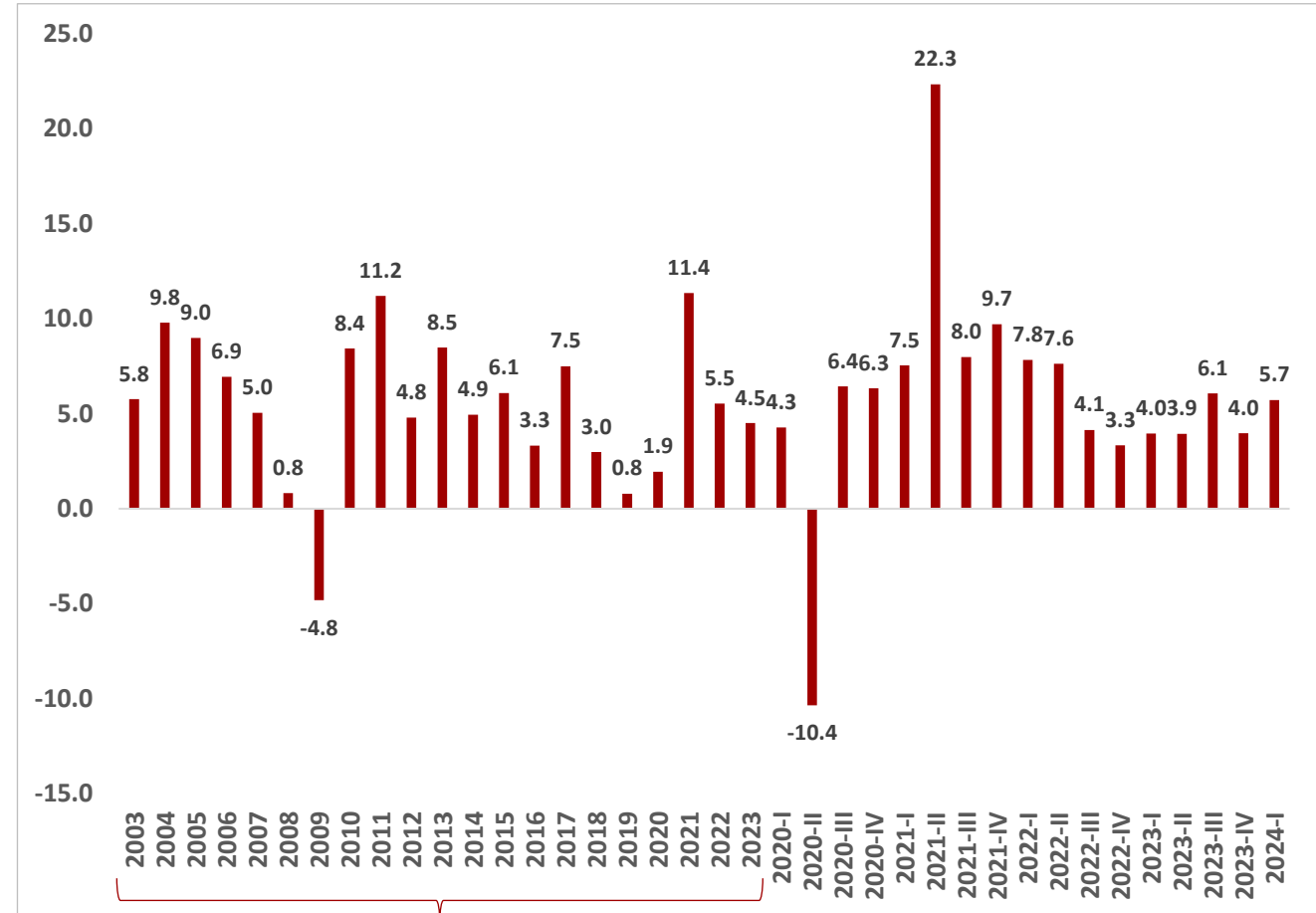
Source: S&P Global, EIU, Bureau of Economic Analysis, Eurostat

# MACROECONOMIC DEVELOPMENTS

## Quarterly GDP Growth Rates

- The Turkish economy grew by 5.7% in the first quarter of 2024.
- In the 2003-2023 period, the annual average growth rate of Türkiye was 5.4%.

Real GDP Growth Rates (%)



Source: TURKSTAT

Annual Increases

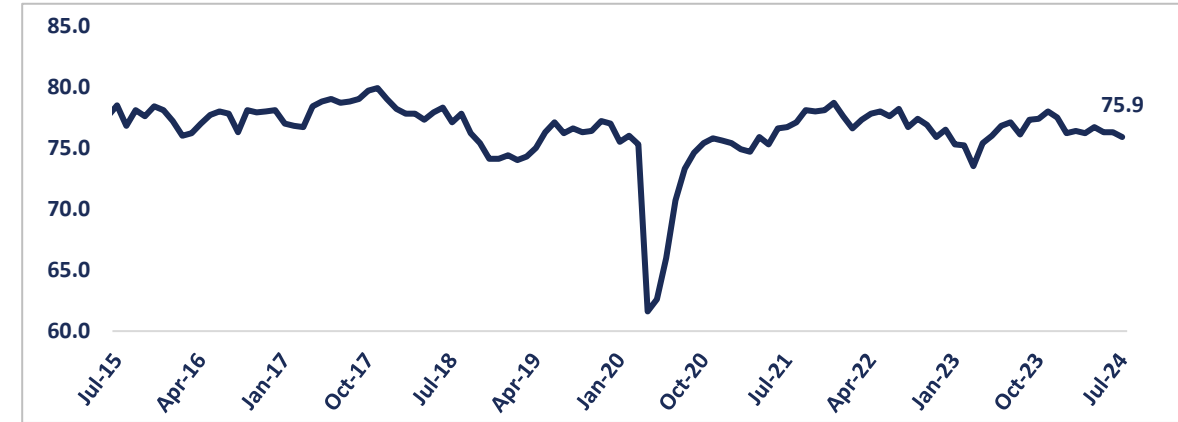


# MACROECONOMIC DEVELOPMENTS

## Industrial Production

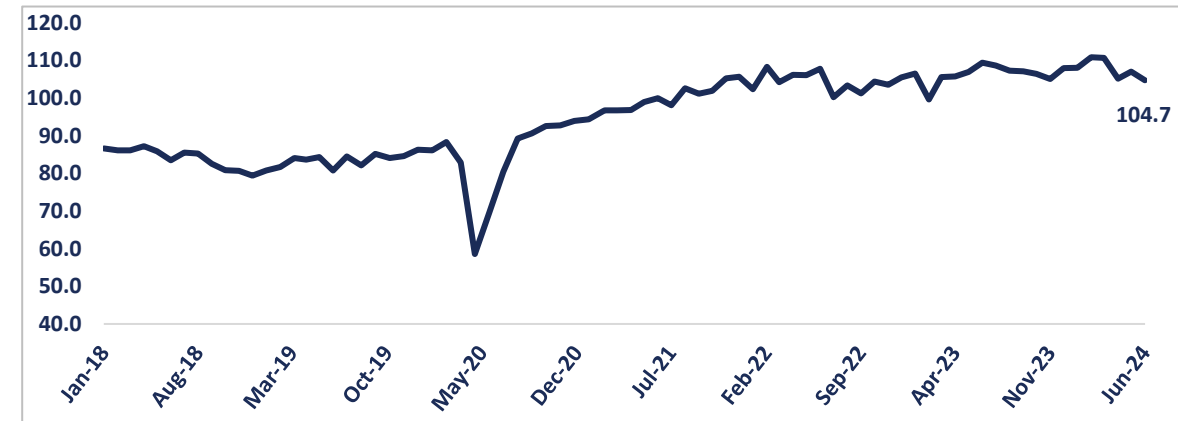
- In July 2024, the capacity utilization rate decreased by 1.2 points on annual basis and by 0.40 points on monthly basis reaching 75.9%.
- In June 2024, seasonally adjusted industrial production index decreased by 2.1% compared to the previous month and calendar adjusted industrial production index decreased by 4.3% compared to the same month of the previous year.

Capacity Utilization Rate in Manufacturing Industry (%)



Source: CBRT

Industrial Production Index (2021=100)\*



Source: TURKSTAT, \*Seasonally and Calendar Adjusted Index (2021=100)

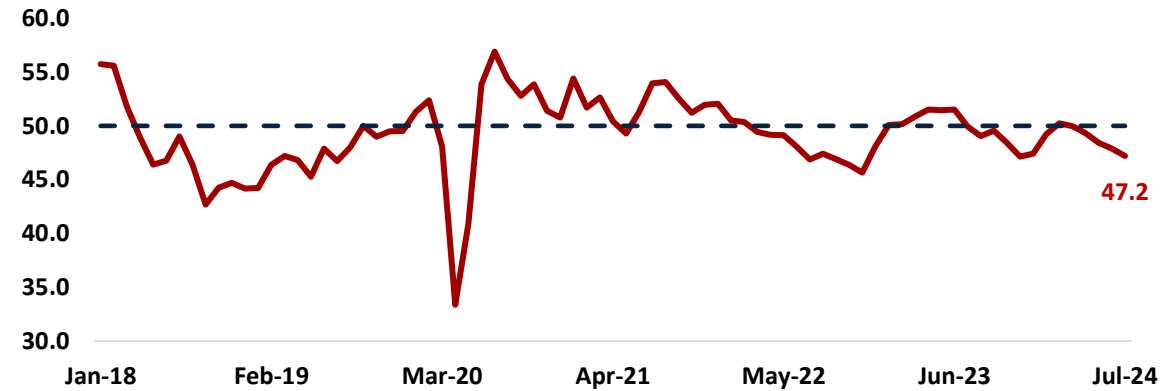
# MACROECONOMIC DEVELOPMENTS

## Purchasing Managers' Index (PMI)

- In July 2024, the PMI was recorded at 47.2.
- In July 2024, the New Export Orders Index was recorded at 47.5.

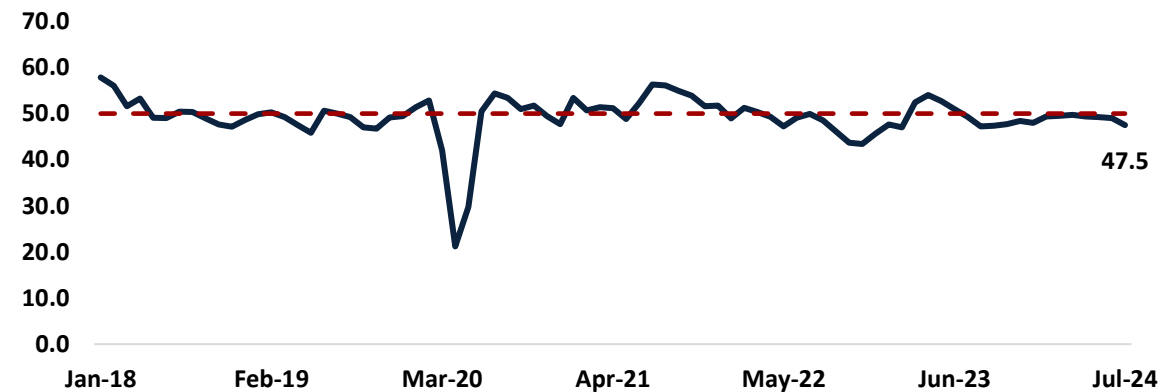
**Note:** The indexes measured above 50 indicates an increase, the indexes measured below 50 indicates a decline.

Purchasing Managers' Index (PMI)\*



Source: S&P Global

New Export Orders Index\*

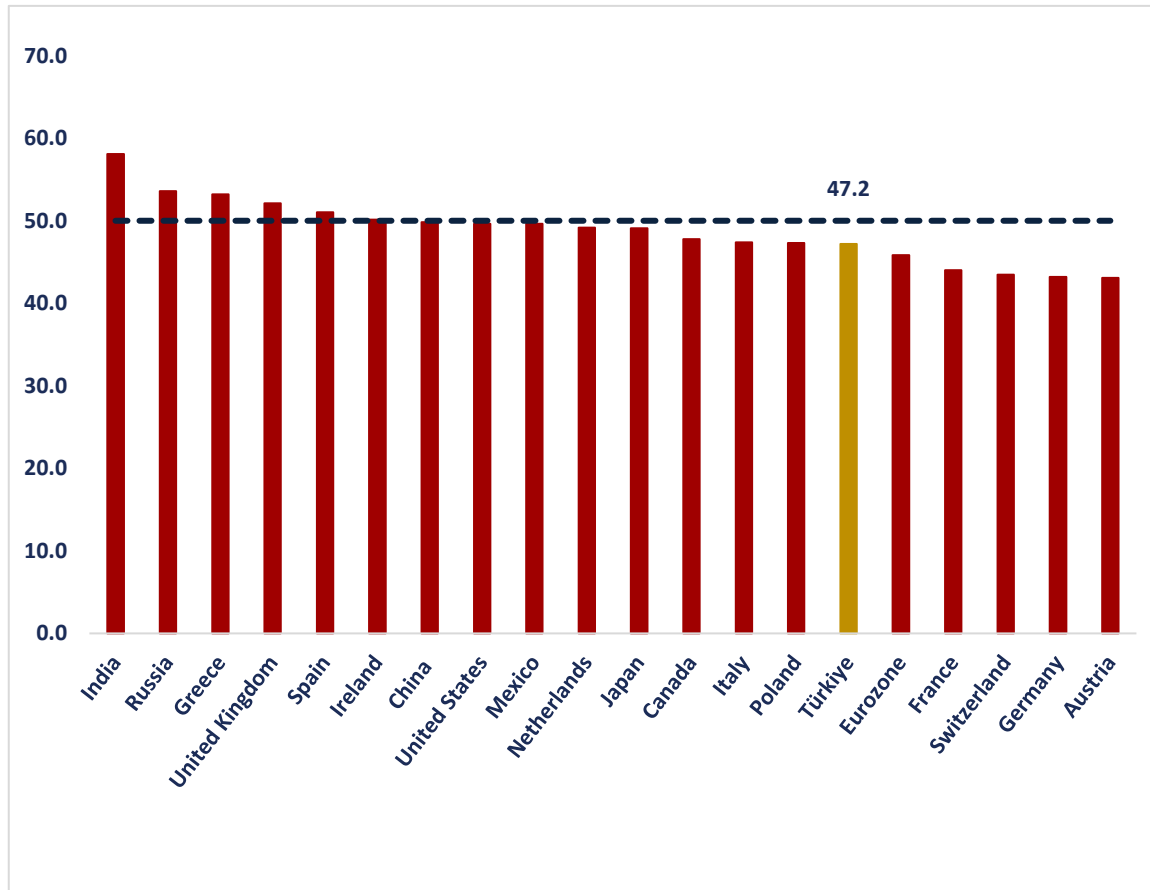


Source: S&P Global

# MACROECONOMIC DEVELOPMENTS

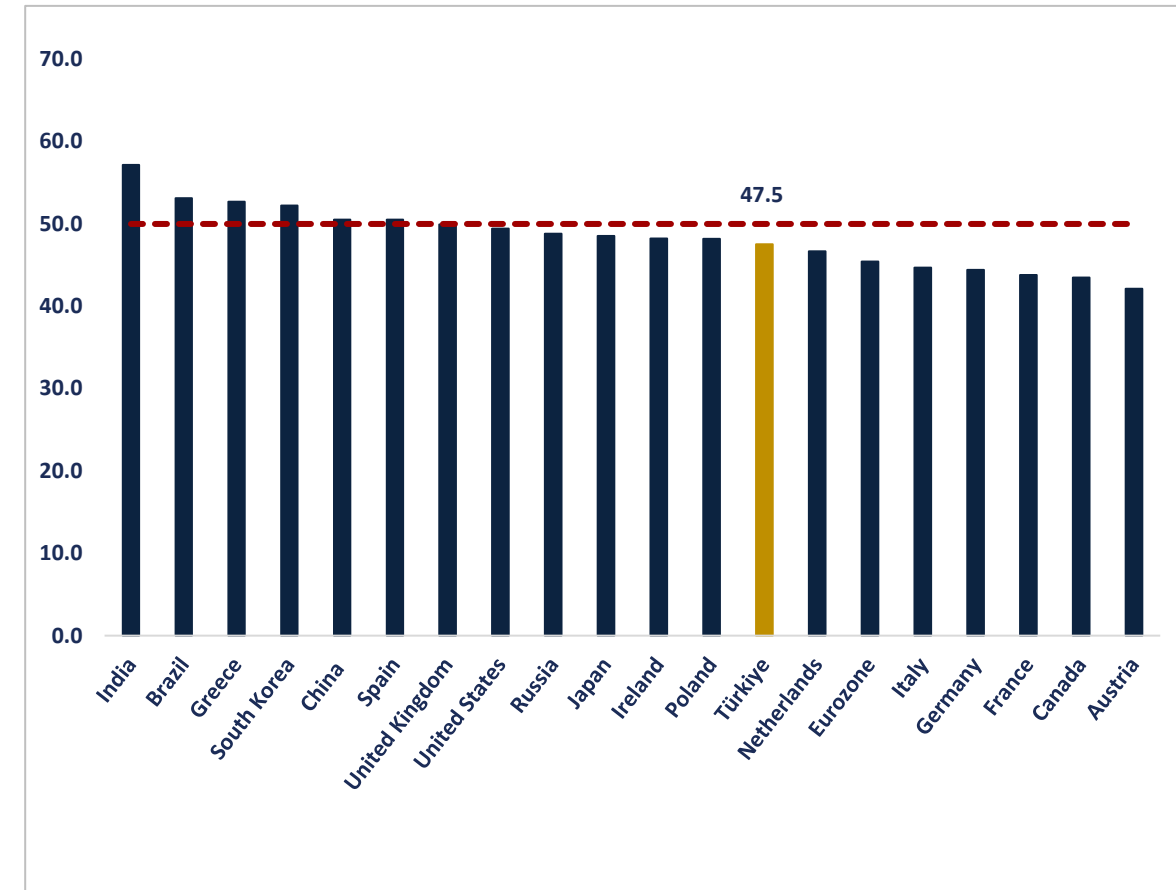
## Purchasing Managers' Index (PMI)

PMI Index\*, July 2024



Source: S&P Global

New Export Orders Index\*, July 2024



Source: S&P Global

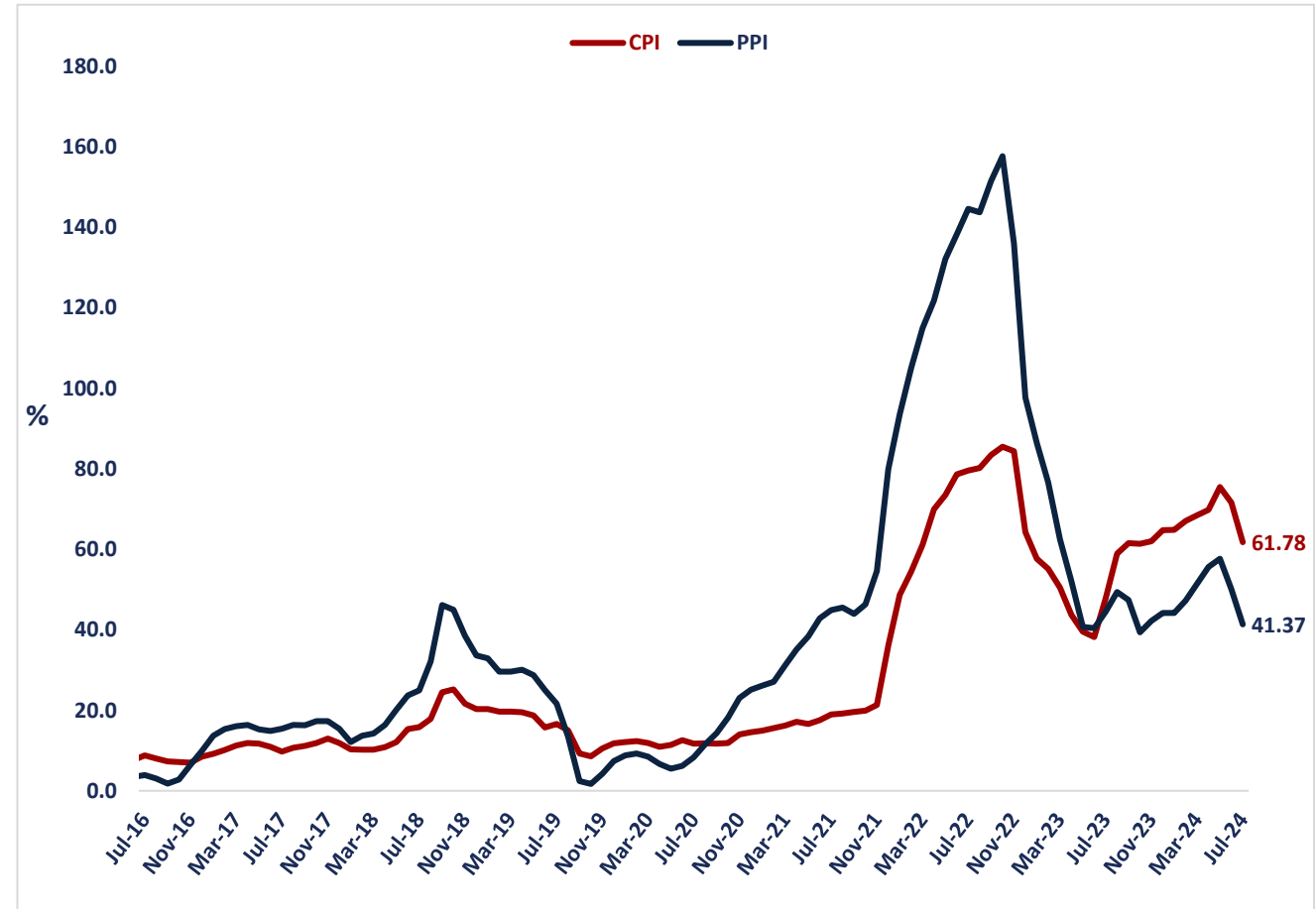
\*The indexes measured above 50 indicates an increase, the indexes measured below 50 indicates a decline. Seasonally Adjusted Series.

# MACROECONOMIC DEVELOPMENTS

## Annual Inflation

- In July 2024, Consumer Price Index (CPI) inflation was 61.78% and Producer Price Index (PPI) inflation was 41.37%.

Price Indices (YoY, %)



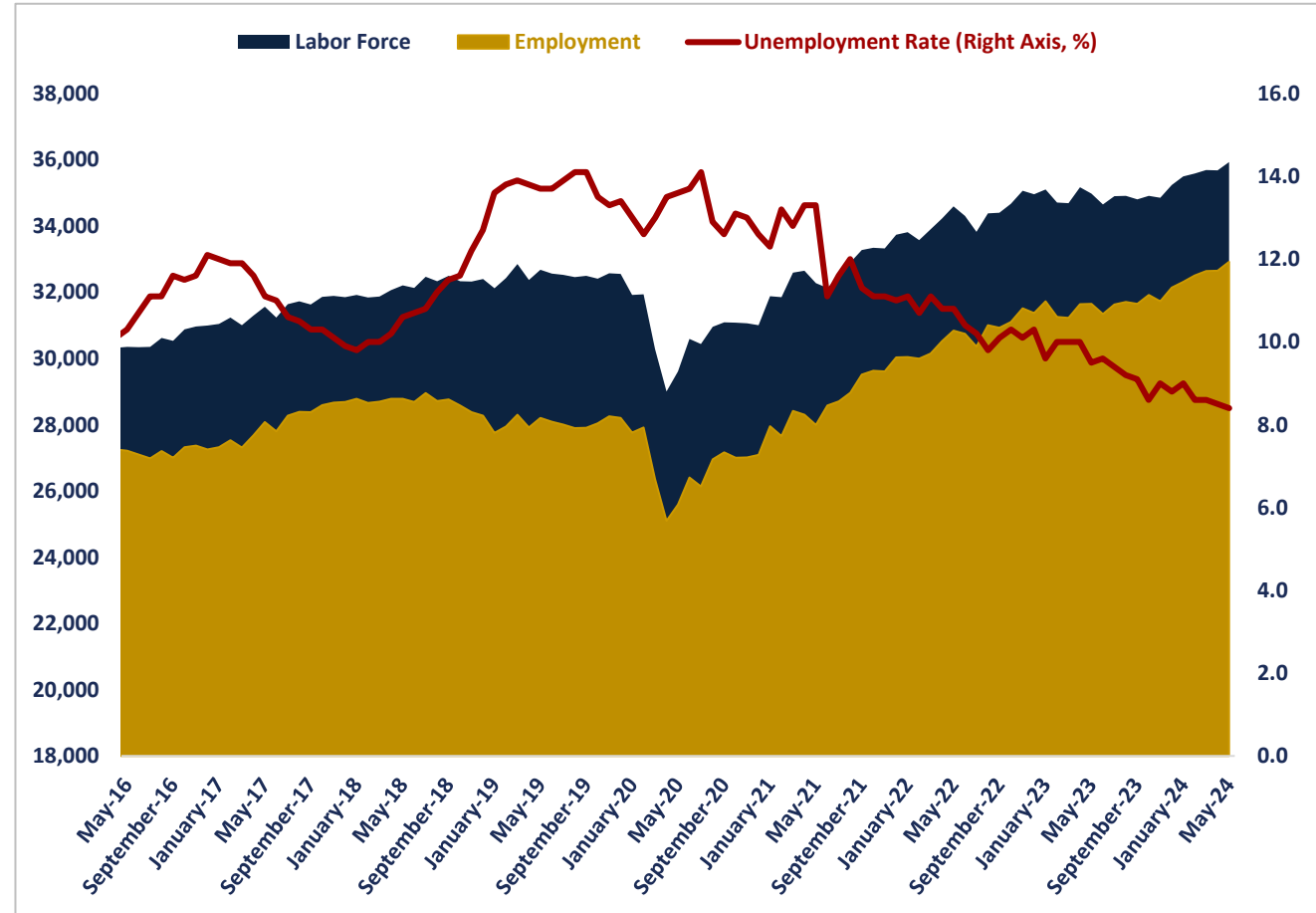
Source: TURKSTAT

# MACROECONOMIC DEVELOPMENTS

## Labor Market

- Seasonally adjusted unemployment rate was 8.4% in May 2024.
- In June 2024, the seasonally adjusted unemployment rate was 4.3% in the US, 6.5% in the Euro Area, 3.4% in Germany, 7.4% in France and 7.0% in Italy.
- In May 2024, the number of employed persons increased by 273 thousand, reaching 32 million 920 thousand people and the employment rate increased by 0.4 percentage points to 50.0%.

Developments in Turkish Labor Market (Thousands)\*



Source: TURKSTAT

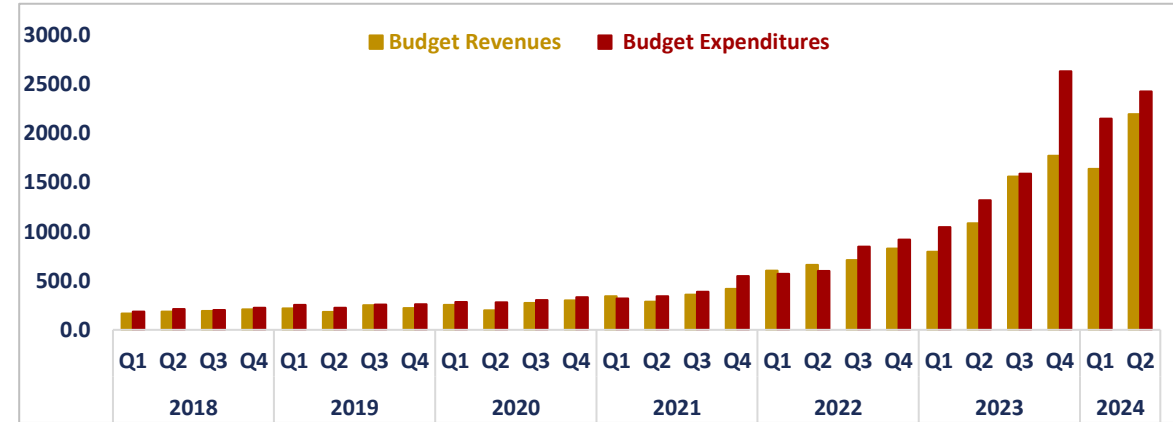
\*Seasonally Adjusted Series

# MACROECONOMIC DEVELOPMENTS

## Central Government Budget

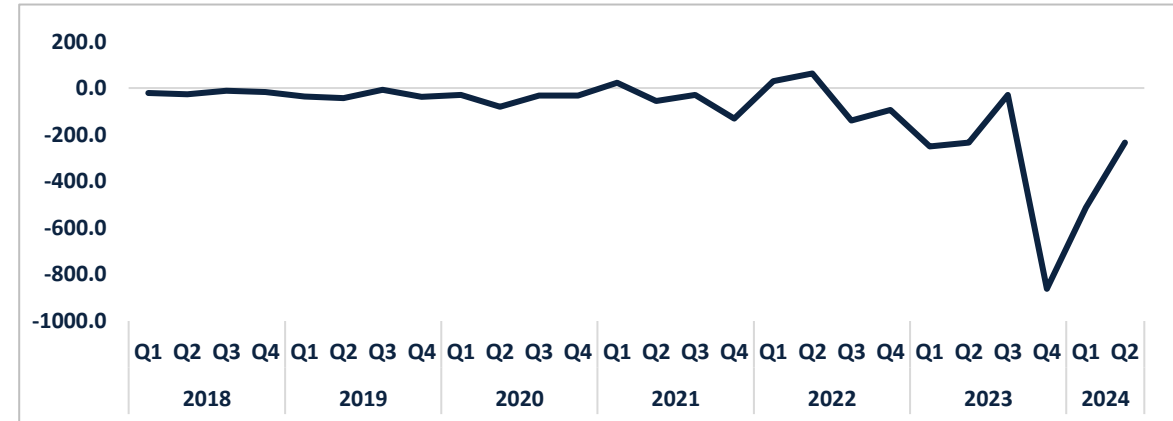
- In June 2024, central government budget revenues were 866.5 billion TL, budget expenditures were 591.2 billion TL, and the budget deficit was 176 billion.
- In the second quarter of 2024, central government budget expenditures totaled 2,427.9 billion TL, with revenues at 2,194.2 billion TL, leading to a budget deficit of 233.7 billion TL.

### Central Government Budget Realizations (Billion TL)



Source: Ministry of Treasury and Finance

### Central Government Budget Balance (Billion TL)



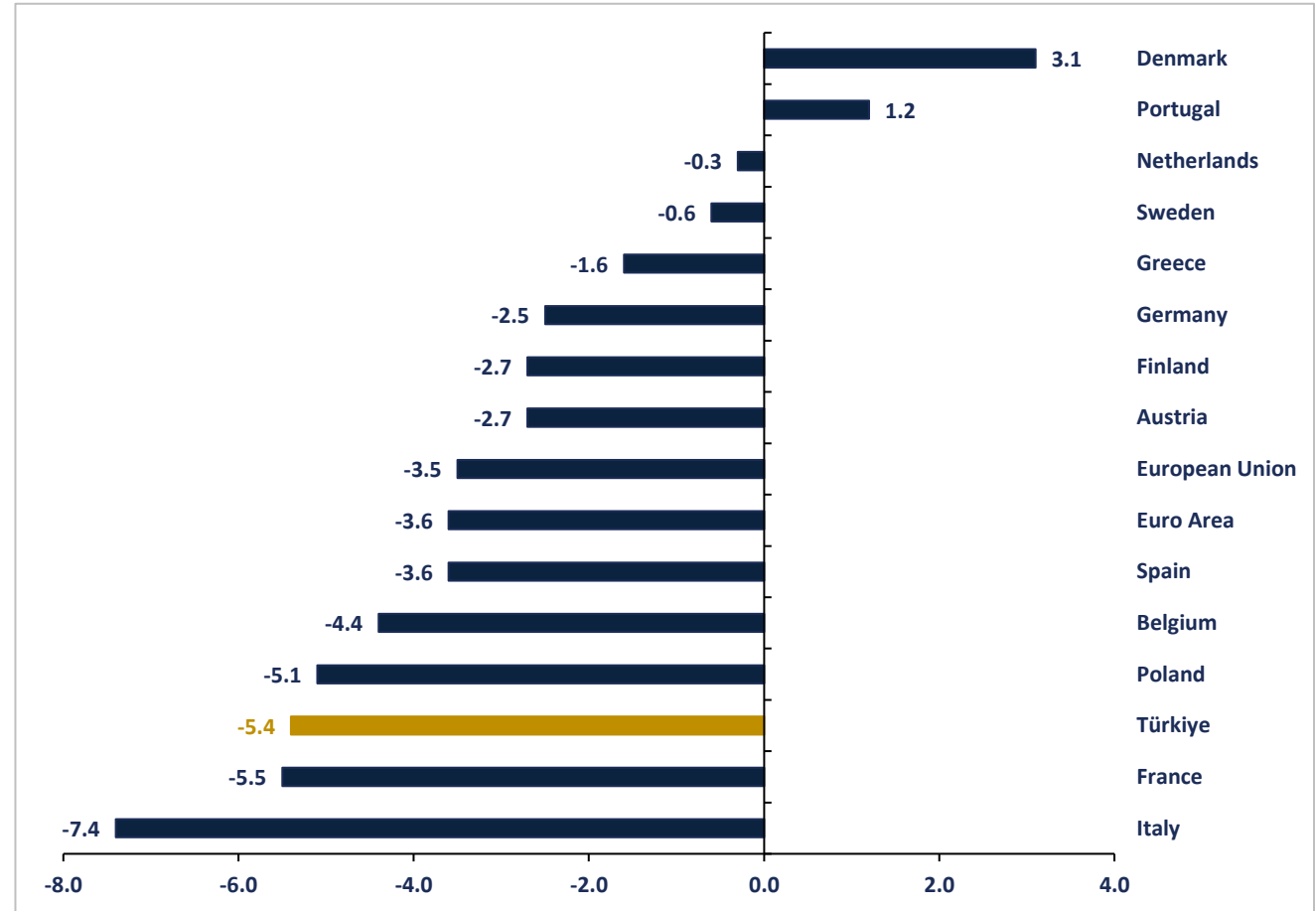
Source: Ministry of Treasury and Finance

# MACROECONOMIC DEVELOPMENTS

## Central Government Budget Balance

- The ratio of Türkiye's Central Government Budget Balance to GDP realized as -5.4% in 2023.

Central Government Budget Balance / GDP (%), 2023



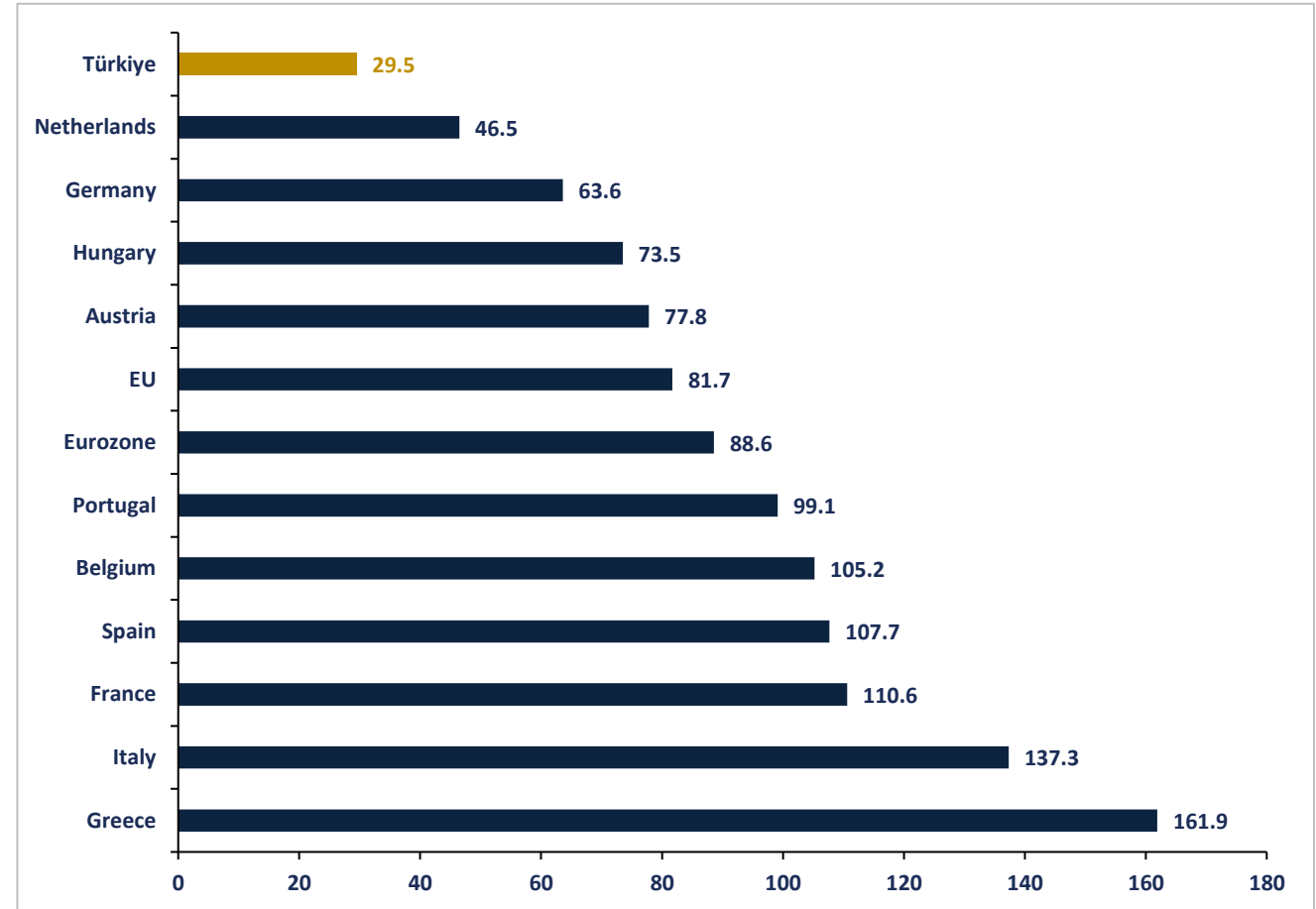
Source: Ministry of Treasury and Finance, Eurostat

# MACROECONOMIC DEVELOPMENTS

## General Government Debt Stock / GDP

- The ratio of Türkiye's EU-defined General Government Debt Stock to GDP was 29.5% in 2023, well below the Maastricht Criterion of 60%.

General Government Debt Stock / GDP (%), 2023



Source: Ministry of Treasury and Finance, Eurostat



# MACROECONOMIC DEVELOPMENTS

## Balance of Payments

- In May 2024, the current account deficit decreased by USD 6.5 billion year-on-year to USD 1.2 billion.

### Balance of Payments

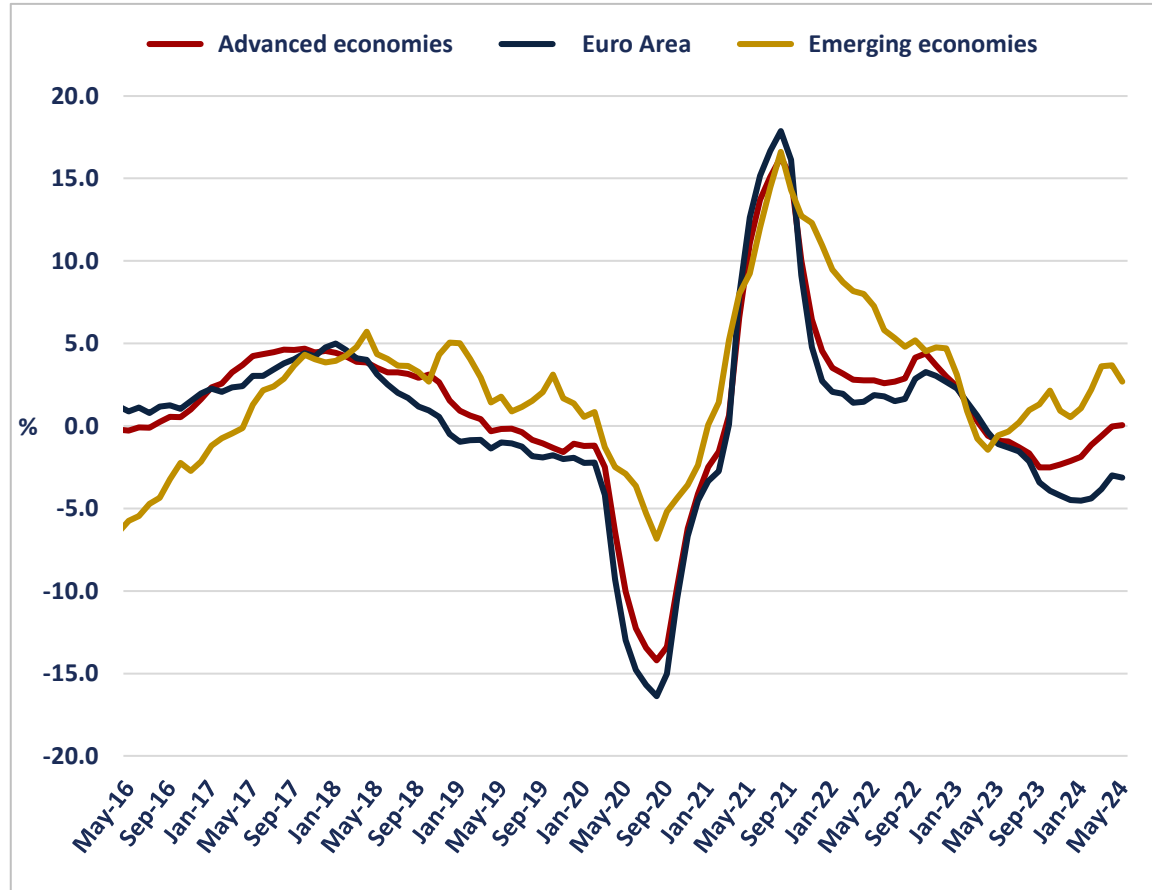
Million USD	May			January-May		
	2023	2024	Change	2023	2024	Change
<b>I- CURRENT ACCOUNT</b>	-7,779	-1,235	6,544	-37,449	-17,614	19,835
<b>A. BALANCE ON GOODS</b>	-10,506	-4,199	6,307	-47,154	-26,372	20,782
<b>B. BALANCE ON SERVICES</b>	4,026	4,724	698	14,816	15,101	285
<b>C. BALANCE ON PRIMARY INCOME</b>	-1,320	-1,607	-287	-5,198	-6,276	-1,078
<b>D. BALANCE ON SECONDARY INCOME</b>	21	-153	-174	87	-67	-154
<b>II- CAPITAL ACCOUNT</b>	-16	-13	3	-72	-23	49
<b>III- FINANCIAL ACCOUNT</b>	-17,402	3,224	20,626	-52,755	-30,007	22,748
<b>Direct Investment</b>	-119	-361	-242	-2,118	-1,504	614
<b>Net Acquisition of Financial Assets</b>	524	713	189	2,389	2,329	-60
<b>Net Incurrence of Liabilities</b>	643	1,074	431	4,507	3,833	-674
<b>Equity Capital</b>	303	582	279	2,174	1,849	-325
<b>Inflow</b>	319	590	271	2,294	2,285	-9
<b>Outflow</b>	16	8	-8	120	436	316
<b>Other Capital (Net)</b>	-16	303	319	375	547	172
<b>Real Estate (Net)</b>	356	189	-167	1,958	1,437	-521
<b>Portfolio Investment</b>	1,412	-5,637	-7,049	2,947	-11,517	-14,464
<b>Other Investment</b>	-2,117	-8,371	-6,254	-15,851	-9,469	6,382
<b>Reserve Assets</b>	-16,578	17,593	34,171	-37,733	-7,517	30,216
<b>IV- NET ERRORS AND OMISSIONS</b>	-9,607	4,472	14,079	-15,234	-12,370	2,864

Source: CBRT

# MACROECONOMIC DEVELOPMENTS

## Developments in Global Trade Volume Indices\*

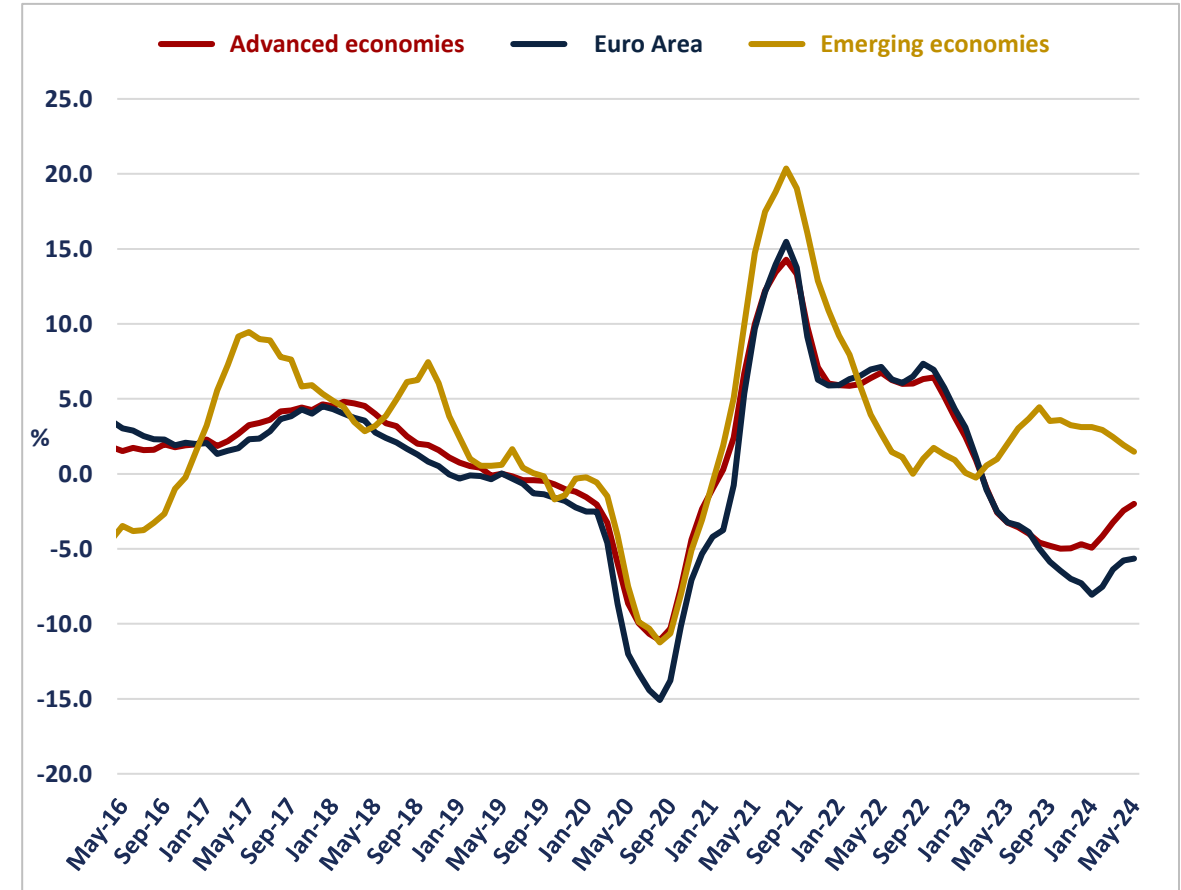
Export Volume Index (Annual Changes with 6 Month Moving Av.)



Source: Netherlands Bureau for Economic Policy Analysis (CPB)

\* Trade Indices (2021=100), Volumes, Seasonally adjusted series.

Import Volume Index (Annual Changes with 6 Month Moving Av.)



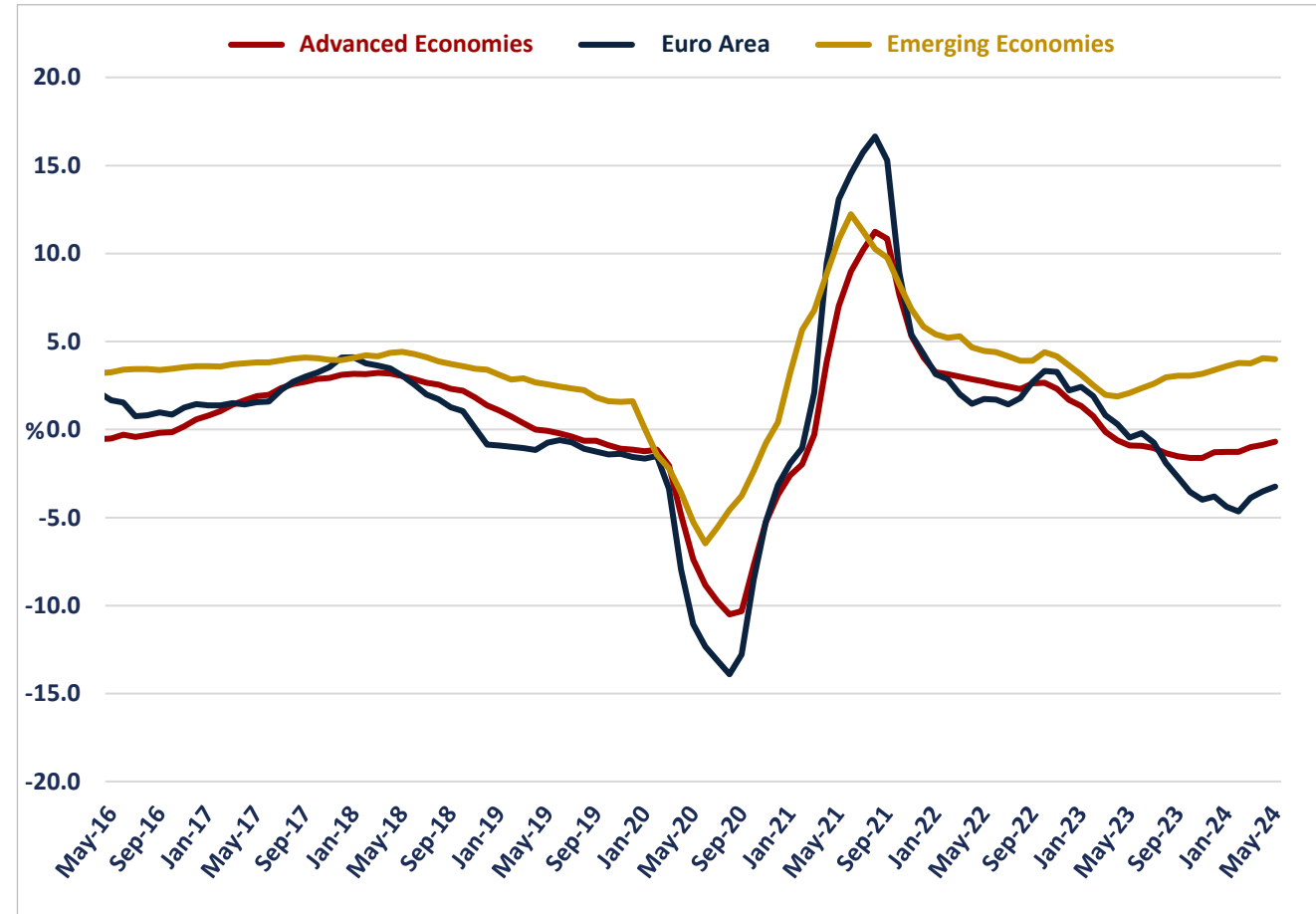
Source: Netherlands Bureau for Economic Policy Analysis (CPB)

# MACROECONOMIC DEVELOPMENTS

## Developments in Global Industrial Production Index

- As of May 2024, the decline in industrial production rate in the Euro Area and advanced economies has slowed down, while the upward trend of recent months continues in emerging economies.

Industrial Production\* (Annual Changes with 6 Month Moving Average)



Source: Netherlands Bureau for Economic Policy Analysis (CPB)

\* Industrial Production Index (2021=100), Seasonally adjusted series.

## **B- MACROECONOMIC OUTLOOK**

# MACROECONOMIC OUTLOOK

## 2024-2026 Medium Term Program Main Economic Targets

	2022	2023 (E)	2024 (P)	2025 (P)	2026 (P)
<b>GDP (Billion TL, Current Prices)</b>	15,012	25,483	41,159	52,942	62,997
<b>GDP Per Capita (USD)</b>	10,659	12,415	12,875	13,717	14,855
<b>Real GDP Growth</b>	5.5	4.4	4.0	4.5	5.0
<b>Unemployment Rate (%)</b>	10.4	10.1	10.3	9.9	9.3
<b>Tourism Revenues (Billion USD)</b>	46.5	55.6	59.6	64.7	71.3

In line with the general framework of the 12th Development Plan (2024-2028), the program aims to strengthen macroeconomic and financial stability, promote high value-added production, achieve growth through productivity and export growth with a focus on green and digital transformation and a permanent improvement in the current account balance, reduce inflation to single digits in the medium term, improve the business and investment environment, and establish a policy ground based on maintaining fiscal discipline while effectively combating disasters.

*Source: Ministry of Treasury and Finance, Medium Term Program*

*E: Estimate, P: Program*

# MACROECONOMIC OUTLOOK

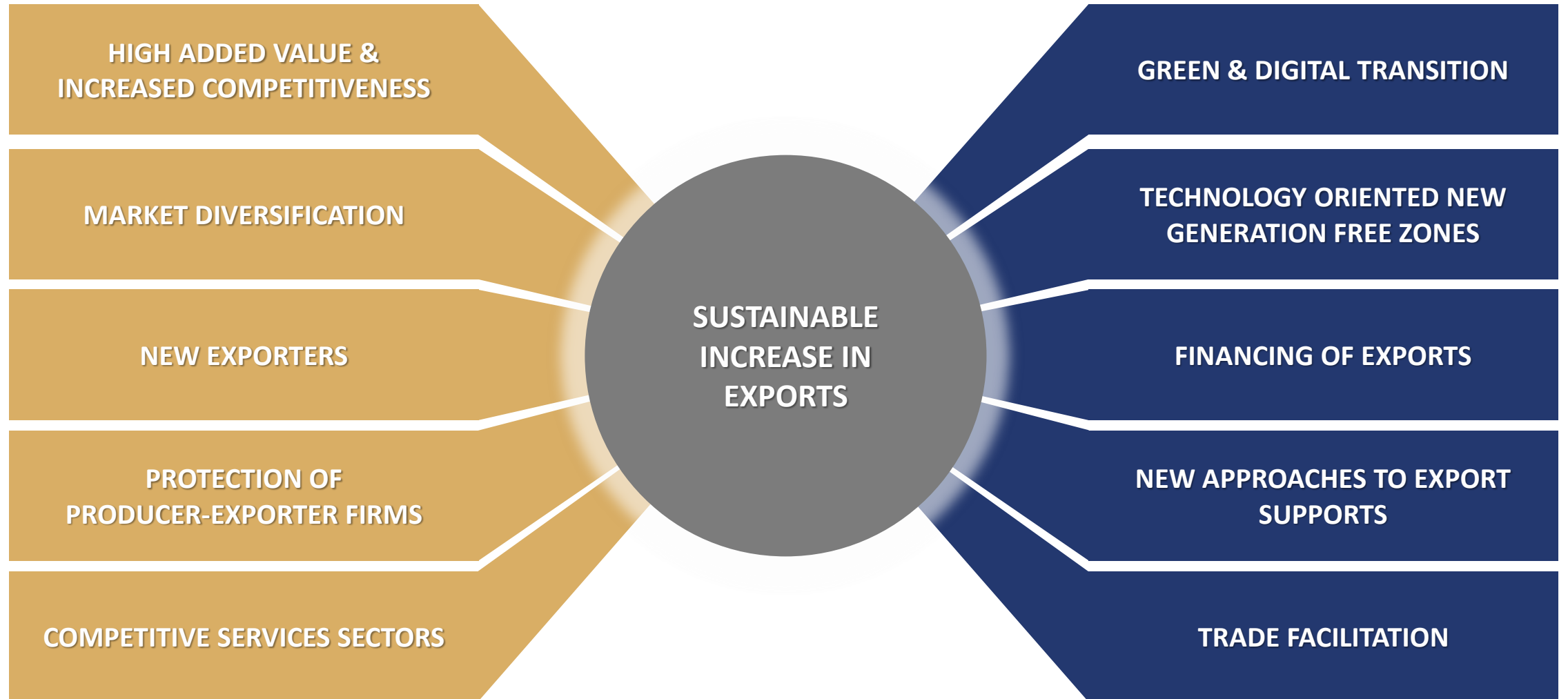
## 2024-2026 Medium Term Program Merchandise Trade Targets

	2022	2023 (GT)	2024 (P)	2025 (P)	2026 (P)
Exports (Billion USD) (GTS)	254.2	255.0	267.0	283.6	302.2
Imports (Billion USD) (GTS)	363.7	367.0	372.8	388.9	414.0
Balance of Trade (Billion USD)	-109.5	-112.0	-105.8	-105.3	-111.8
Volume of Trade/GDP (%)	68.2	58.2	57.2	55.8	54.3
Exports/Imports (%)	69.9	69.5	71.6	72.9	73.0

*Source: Ministry of Treasury and Finance, Medium Term Program  
E: Estimate, P: Program*

# MACROECONOMIC OUTLOOK

## Export Master Plan Targets



# DISTANT COUNTRIES STRATEGY

## Why Distant Countries?

- About two-thirds of Türkiye's total exports go to countries that are relatively close to Türkiye.
- Türkiye's average export distance remains below the world average.
- Distant countries account for 62% of the world's population and contribute to 64% of global GDP.
- With the Distant Countries Strategy, we aim to quadruple our exports of goods to 18 countries that averaged approximately USD 20 billion from 2018-2020.
- Our goal is to increase this figure to around USD 80 billion, thereby raising our share to 1% of these countries' total imports from around the world.

### Increasing Türkiye's share in world trade

It's recognized that our country has the potential to capture a significant portion of major markets that are geographically distant and have high incomes.

### Diversifying export markets

The tendency of our exporters to geographically distant and major markets will contribute significantly to diversification of our export markets.

### Guidance to exporters

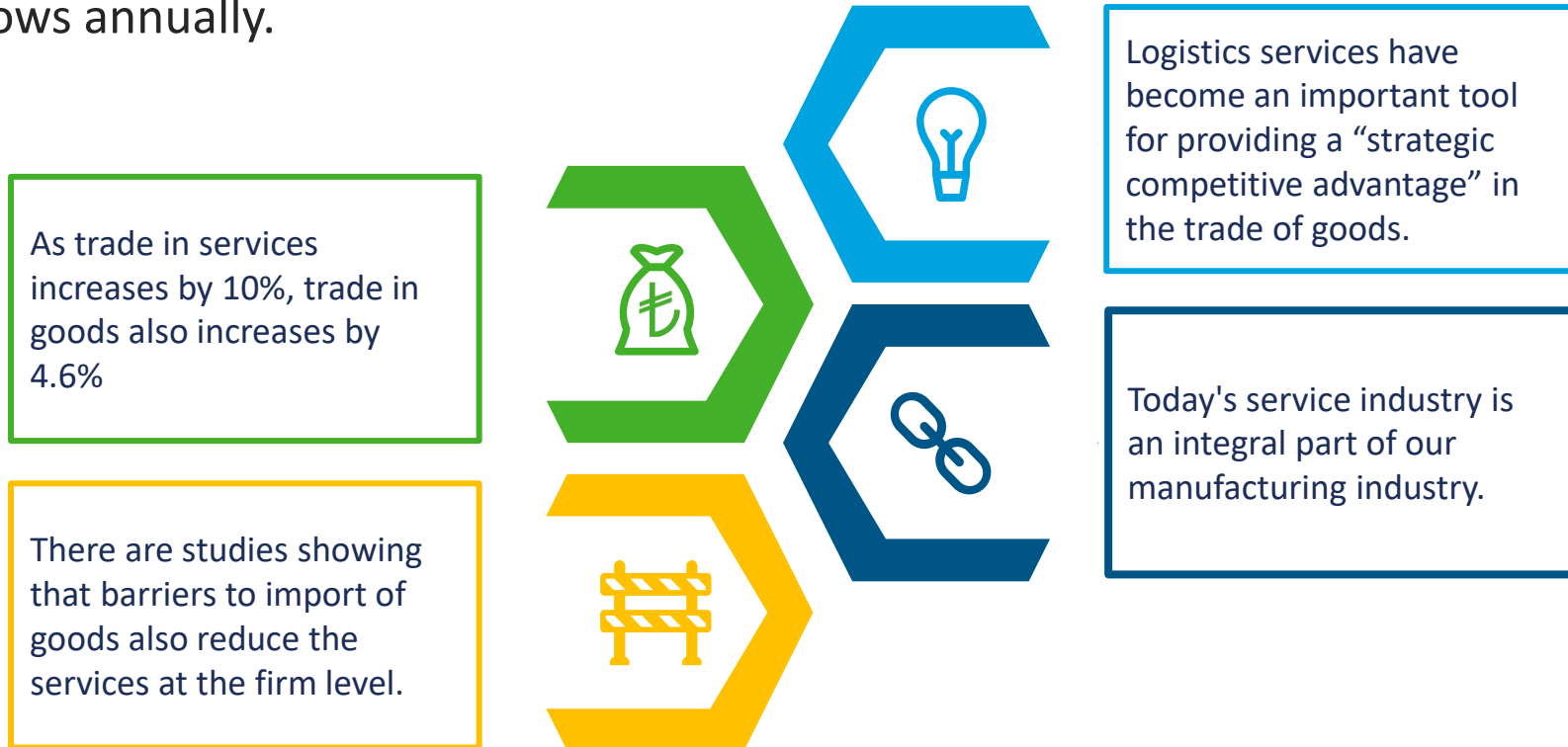
A guiding strategy document has been released to extend Türkiye's average export range from 3,065 km to the global average of 4,744 km, and also to gain a foothold in distant major markets.



# DISTANT COUNTRIES STRATEGY

## Goods and Services as Complementary Elements

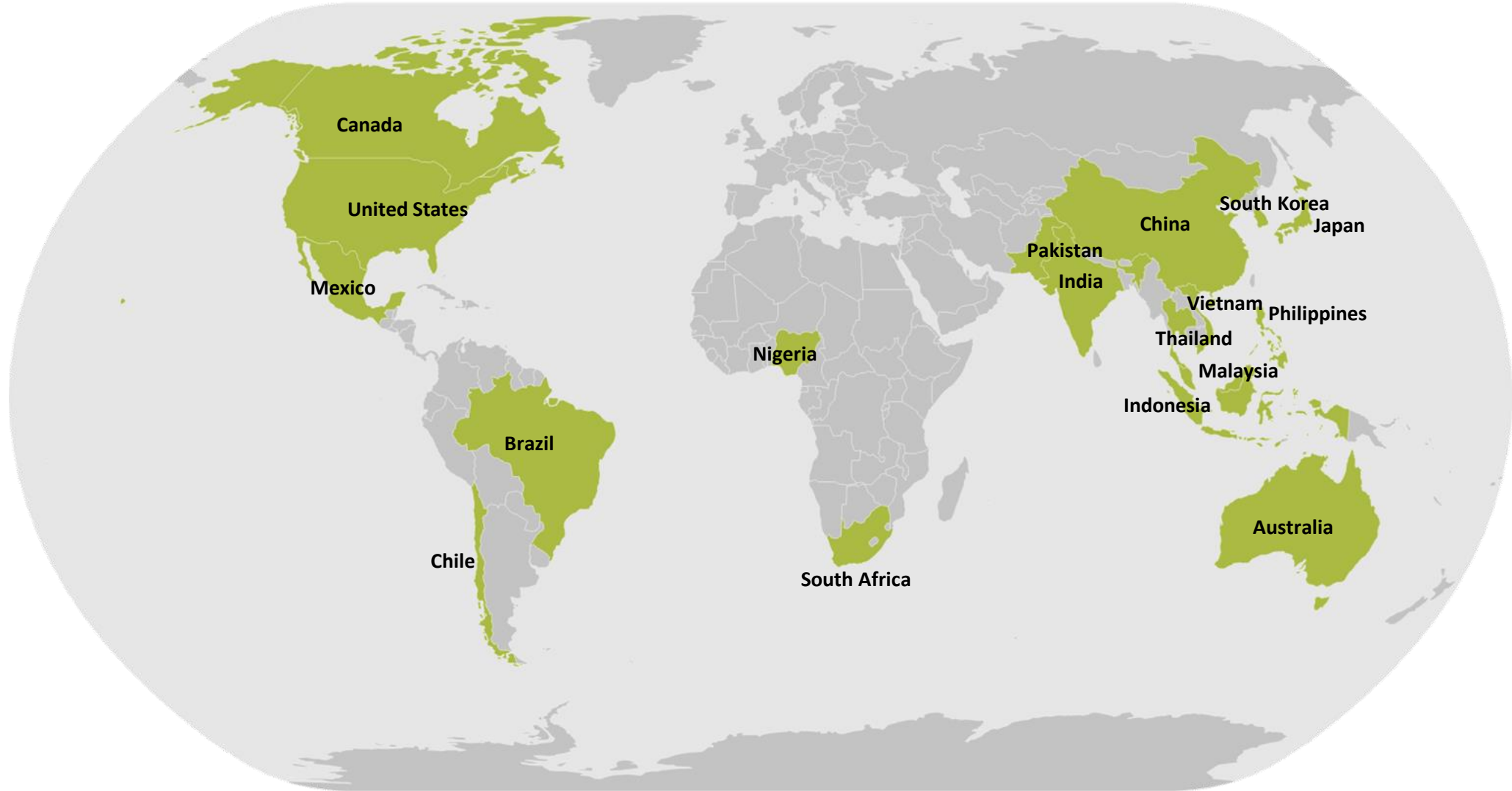
- Within the context of the Distant Countries Strategy, trade in goods and services is viewed as complementary elements. The significance of the services sector on the global economy and its impact on exports of goods grows annually.



- These points indicate that policies for the trade of goods and services should be considered inseparable and approached with a holistic view.

# DISTANT COUNTRIES STRATEGY

## Targeted Countries



# MACROECONOMIC OUTLOOK

## GDP Forecasts of International Organizations

International Organizations	Year	GDP Growth Forecast for Selected Countries/Country Groups (%)							
		World	Euro Zone	USA	Brazil	Russia	India	China	Japan
IMF	2023	3.3	0.5	2.5	2.9	3.6	8.2	5.2	1.9
	2024	3.2	0.9	2.6	2.1	3.2	7.0	5.0	0.7
	2025	3.3	1.5	1.9	2.4	1.5	6.5	4.5	1.0
OECD	2023	3.1	0.5	2.5	2.9	1.3	7.8	5.2	1.9
	2024	3.1	0.7	2.6	1.9	2.6	6.6	4.9	0.5
	2025	3.2	1.5	1.8	2.1	1.0	6.6	4.5	1.1
World Bank	2023	2.6	0.5	2.5	2.9	3.6	8.2	5.2	1.9
	2024	2.6	0.7	2.5	2.0	2.9	6.6	4.8	0.7
	2025	2.7	1.4	1.8	2.2	1.4	6.7	4.1	1.0

Source: IMF (July 2024), OECD (May 2024), World Bank (June 2024)

# MACROECONOMIC OUTLOOK

## Forecasts for World Trade

### WTO Forecasts for Merchandise Trade Volume (%)

Regions	2023	2024	2025
<b>Volume of World Merchandise Trade</b>	-1.2	2.6	3.3
<b>Exports</b>			
North America	3.7	3.6	3.7
South and Central America	1.9	2.6	1.4
Europe	-2.6	1.7	1.8
Asia	0.1	3.4	3.4
<b>Imports</b>			
North America	-2.0	1.0	3.3
South and Central America	-3.1	2.7	3.4
Europe	-4.7	0.1	3.1
Asia	-0.6	5.6	4.7

Source: WTO (April 2024)

### IMF Forecasts for Goods and Services Trade (%)

Real Growth (%)	2023	2024	2025
<b>Volume of World Trade</b>	0.8	3.1	3.4
<b>Advanced Economies</b>	0.1	2.5	2.8
<b>Emerging Economies</b>	2.0	4.2	4.5

Source: IMF (July 2024)

# **C- DEVELOPMENTS IN EXTERNAL TRADE**

# **1) MERCHANDISE TRADE**

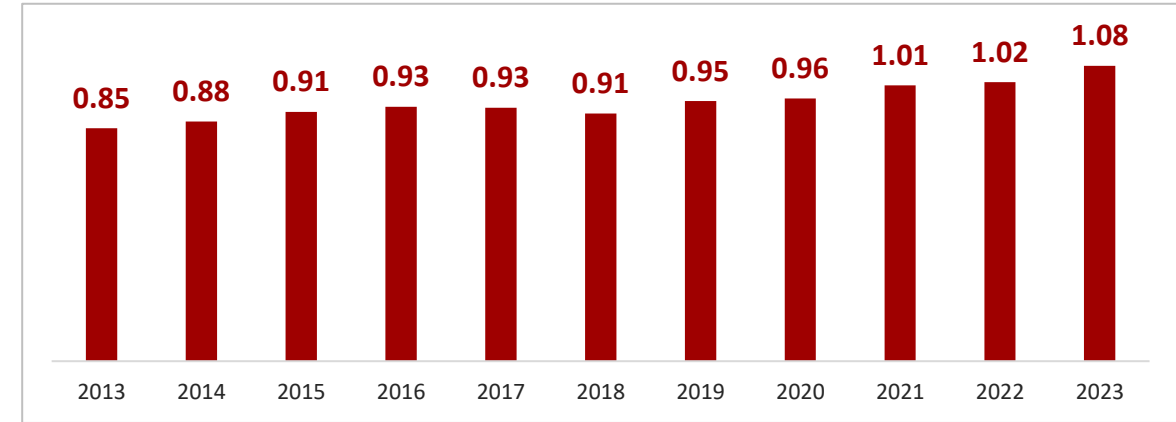
# MERCHANDISE TRADE

## Türkiye's Share in Global Merchandise Exports

- Türkiye's share in global merchandise exports was %1.08 in 2023.

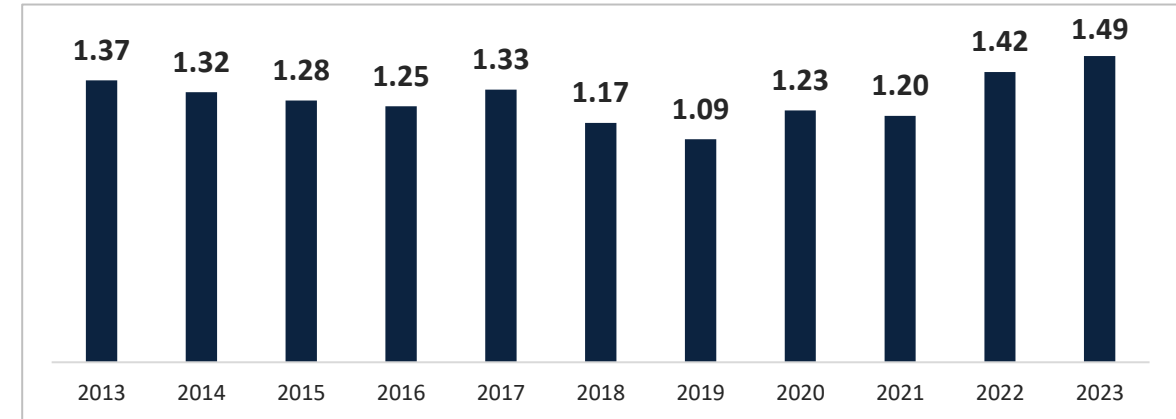
- Türkiye's share in global merchandise imports was %1.49 in 2023.

Türkiye's Share in Global Merchandise Exports (%)



Source: WTO

Türkiye's Share in Global Merchandise Imports (%)



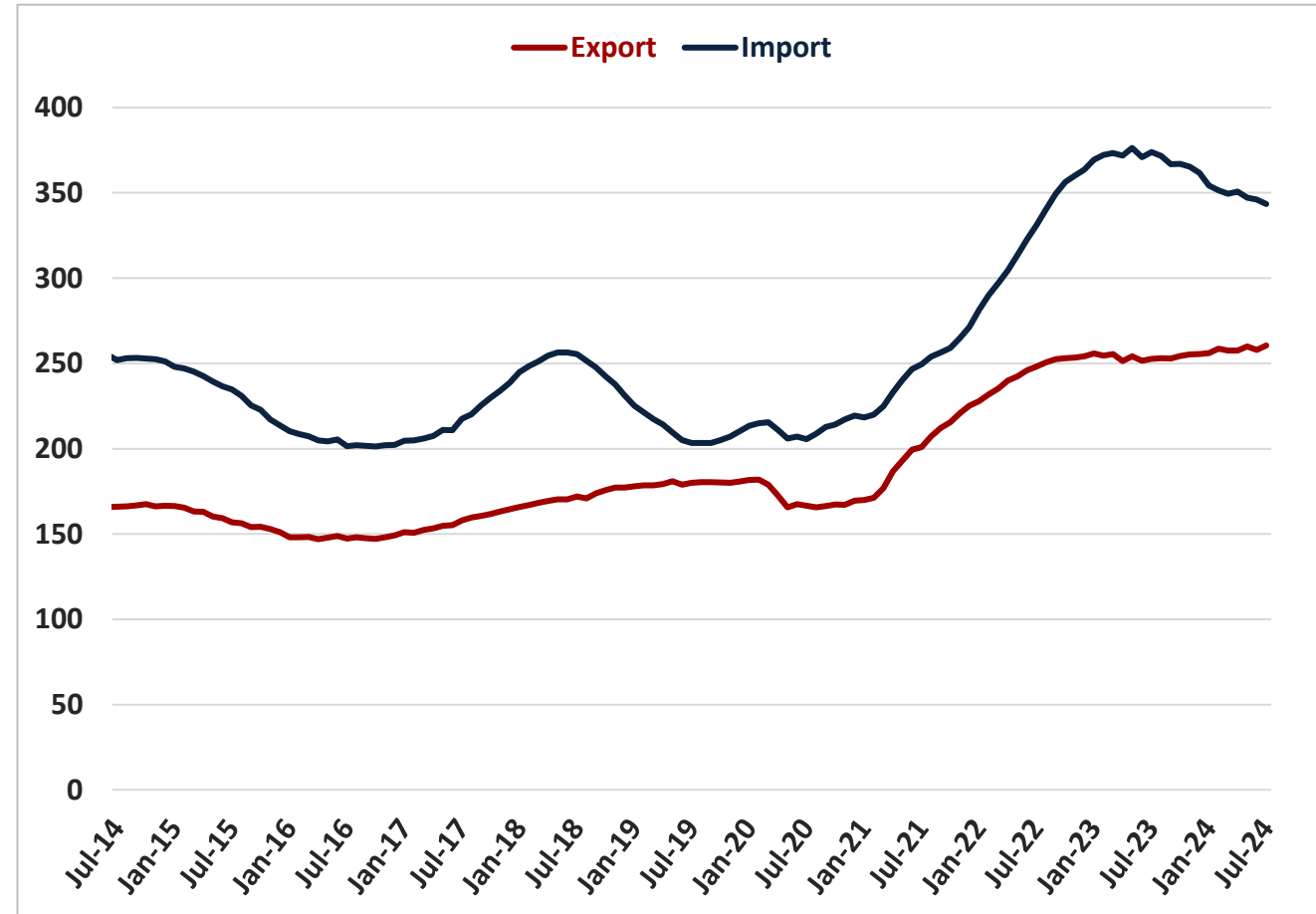
Source: WTO

# MERCHANDISE TRADE

## Monthly Exports and Imports

- In July 2024, compared to the same month of the previous year, exports increased by 13.8% to USD 22.5 billion and imports decreased by 7.9% to USD 29.7 billion.
- As a result, the foreign trade deficit decreased by 42.3% YoY and stood at USD 7.2 billion.

Annualized Monthly Exports and Imports (Billion USD)



Source: Ministry of Trade, TURKSTAT



# MERCHANDISE TRADE

## Foreign Trade Indices (2015=100)

Foreign Trade Indices	2021		2022		2023		2023 June		2024 June	
	Index	Change %	Index	Change %	Index	Change %	Index	Change %	Index	Change %
Export Unit Value Index	103.1	9.7	112.6	9.3	113.3	0.5	115.0	-1.5	114.4	-0.6
Export Volume Index	144.7	21.3	149.5	3.4	149.6	0.1	143.8	-9.5	132.4	-8.0
Import Unit Value Index	116.3	23.3	148.2	27.4	130.7	-11.8	127.6	-16.4	129.4	1.4
Import Volume Index	109.1	0.7	115.1	5.5	129.6	12.6	114.7	-1.3	108.2	-5.7
Terms of Trade	89.0	-10.7	76.1	-14.5	86.7	14.0	90.2	17.8	88.4	-2.0

In 2023, the export unit value index decreased by 0.2% compared to the previous year whereas the import unit value index increased by 11.7%.

Source: TURKSTAT

# MERCHANDISE TRADE

## Development of Foreign Trade

(Million USD)	2022	2023	2022/2023 Change (%)	2023 July	2024 July	2023/2024 Change (%)	2023 January - July	2024 January - July	2023/2024 Change (%)
<b>Export</b>	254,170	255,627	0.6	19,780	22,512	13.8	142,896	148,789	4.1
Energy Export <sup>1</sup>	16,411	16,389	-0.1	1,323	1,256	-5.1	8,190	10,363	26.5
Gold Export	1,051	4,330	311.9	299.6	731	144.0	1,594	1,944	22.0
<b>Import</b>	363,711	361,967	-0.5	32,311	29,747	-7.9	216,753	198,616	-8.4
Energy Import <sup>1</sup>	96,549	69,114	-28.4	5,018	5,236	4.3	40,856	37,963	-7.1
Gold Import	20,440	30,017	46.9	2,758	998	-63.8	19,309	8,783	-54.5
<b>Foreign Trade Volume</b>	617,880	617,594	0.0	52,091	52,259	0.3	359,650	347,405	-3.4
<b>Foreign Trade Balance</b>	-109,541	-106,339	-2.9	-12,532	-7,235	-42.3	-73,857	-49,826	-32.5
<b>Balance excl. Energy</b>	-29,403	-53,615	82.3	-8,837	-3,256	-63.2	-41,191	-22,227	-46.0
<b>Export/Import (%)<sup>1</sup></b>	69.9	70.6	0.7*	61.2	75.7	14.5*	65.9	74.9	9.0*
<b>Export/Import (%)<sup>2</sup></b>	89.0	81.7	-7.3*	67.6	86.7	19.1*	76.6	86.2	9.6*
<b>Export/Import (%)<sup>3</sup></b>	95.9	89.4	-6.6*	74.0	87.3	13.3*	85.0	89.9	4.9*

<sup>(1)</sup>Energy corresponds to Chapter 27.

<sup>(2)</sup>Excluding energy

<sup>(3)</sup> Excluding energy and gold

(\*) Coverage rate changes represent percentage point difference.

**Source:** Ministry of Trade

# MERCHANDISE TRADE

## Distribution of Foreign Trade in Broad Economic Categories

### Export

Million Dollar	Annual			July			January - July		
	2022	2023	Change	2023	2024	Change	2023	2024	Change
Investment Goods	29,035	33,659	15.9	2,569	2,640	2.8	18,361	18,823	2.5
Intermediate Goods	133,417	129,009	-3.3	10,043	11,738	16.9	72,269	75,547	4.5
Consumption Goods	89,812	90,681	1.0	6,734	7,856	16.7	50,832	52,757	3.8
Others	1,906	2,278	19.5	434	278	-36.1	1,434	1,662	16.0
<b>TOTAL</b>	<b>254,170</b>	<b>255,627</b>	<b>0.6</b>	<b>19,780</b>	<b>22,512</b>	<b>13.8</b>	<b>142,896</b>	<b>148,790</b>	<b>4.1</b>

Source: Ministry of Trade

### Import

Million Dollar	Annual			July			January - July		
	2022	2023	Change	2023	2024	Change	2023	2024	Change
Investment Goods	40,535	52,742	30.1	5,138	4,758	-7.4	29,653	29,436	-0.7
Intermediate Goods	292,437	261,311	-10.6	22,447	20,373	-9.2	160,657	138,499	-13.8
Consumption Goods	30,482	47,642	56.3	4,713	4,568	-3.1	26,273	30,406	15.7
Others	257	272	6.0	13	49	281.9	170	274	61.4
<b>TOTAL</b>	<b>363,711</b>	<b>361,967</b>	<b>-0.5</b>	<b>32,311</b>	<b>29,747</b>	<b>-7.9</b>	<b>216,753</b>	<b>198,616</b>	<b>-8.4</b>

Source: Ministry of Trade

# MERCHANDISE TRADE

## Main Export Items

CODE	EXPORT (Million Dollar)	Annual			July			January - July		
	CHAPTER	2022	2023	Change (%)	2023	2024	Change (%)	2023	2024	Change (%)
87	Vehicles other than railway or tramway rolling-stock, parts thereof	26,801	30,829	15.0	2,404	2,699	12.3	17,511	18,180	3.8
84	Boilers, machineries and mechanical appliances, parts thereof	22,671	25,262	11.4	1,906	2,247	17.9	14,400	14,586	1.3
71	Precious stones, precious metals, pearls and articles thereof	10,208	13,647	33.7	958	1,526	59.3	6,435	7,207	12
85	Electrical machinery and equipment, parts thereof	13,704	15,454	12.8	1,203	1,403	16.6	8,699	9,130	5
27	Mineral fuels, minerals oils and product of their distillation	16,411	16,389	-0.1	1,323	1,256	-5.1	8,190	10,363	26.5
39	Plastic and articles thereof	11,572	10,572	-8.6	841	999	18.8	6,095	6,177	1.3
72	Iron and steel	14,671	8,860	-39.6	696	942	35.4	4,904	5,965	21.6
61	Knitted and crocheted goods and articles thereof	11,006	10,278	-6.6	836	933	11.6	5,965	5,697	-4.5
73	Articles of iron and steel	10,533	10,051	-4.6	729	809	10.9	5,707	5,613	-1.6
62	Non knitted and crocheted goods and articles thereof	8,458	8,037	-5.0	622	658	5.8	4,978	4,431	-11
	<b>Subtotal</b>	<b>146,035</b>	<b>149,380</b>	<b>2.3</b>	<b>11,518</b>	<b>13,472</b>	<b>17.0</b>	<b>82,883</b>	<b>87,350</b>	<b>5.4</b>
	<b>Total</b>	<b>254,170</b>	<b>255,627</b>	<b>0.6</b>	<b>19,780</b>	<b>22,512</b>	<b>13.8</b>	<b>142,896</b>	<b>148,790</b>	<b>4.1</b>

Source: Ministry of Trade

\*Sorted by July 2024 values

# MERCHANDISE TRADE

## Main Import Items

CODE	IMPORT (Million Dollar)	Annual			July			January - July		
	CHAPTER	2022	2023	Change (%)	2023	2024	Change (%)	2023	2024	Change (%)
27	Mineral fuels, minerals oils and product of their distillation	96,549	69,114	-28.4	5,018	5,236	4.3	40,856	37,963	-7.1
84	Boilers, machineries and mechanical appliances, parts thereof	34,574	40,968	18.5	3,983	3,614	-9.3	23,748	23,228	-2.2
87	Vehicles other than railway or tramway rolling-stock, parts thereof	17,678	32,261	82.5	3,366	2,791	-17.1	17,316	18,335	5.9
85	Electrical machinery and equipment, parts thereof	21,535	27,948	29.8	2,563	2,509	-2.1	16,327	15,484	-5.2
72	Iron and steel	28,367	24,160	-14.8	2,353	1,963	-16.6	15,589	13,670	-12.3
39	Plastic and articles thereof	18,976	16,215	-14.5	1,563	1,545	-1.2	10,071	9,263	-8
71	Precious stones, precious metals, pearls and articles thereof	23,458	33,912	44.6	2,996	1,311	-56.2	21,163	12,793	-39.5
29	Organic chemicals	11,120	9,181	-17.4	742	870	17.2	5,626	5,604	-0.4
88	Aircraft and parts thereof	3,357	4,283	27.6	571	670	17.3	2,153	2,770	28.6
76	Aluminium and articles thereof	7,683	6,293	-18.1	557	611	9.7	3,758	3,355	-10.7
	<b>Subtotal</b>	<b>263,297</b>	<b>264,334</b>	<b>0.4</b>	<b>23,713</b>	<b>21,119</b>	<b>-10.9</b>	<b>156,606</b>	<b>142,464</b>	<b>-9.0</b>
	<b>Total</b>	<b>363,711</b>	<b>361,967</b>	<b>-0.5</b>	<b>32,311</b>	<b>29,747</b>	<b>-7.9</b>	<b>216,753</b>	<b>198,616</b>	<b>-8.4</b>

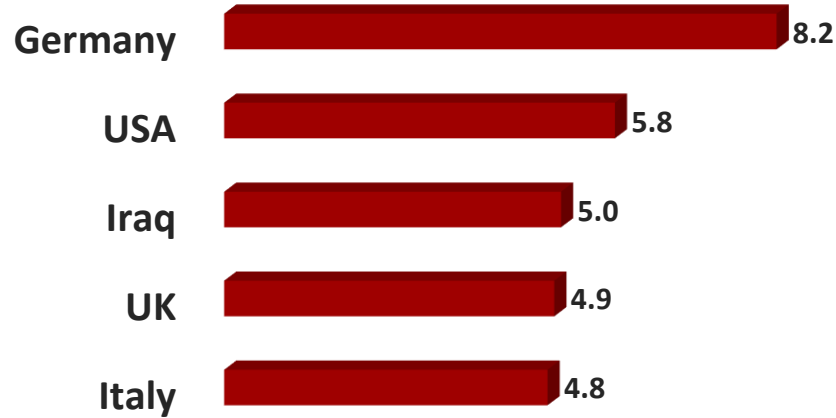
Source: Ministry of Trade

\*Sorted by July 2024 values

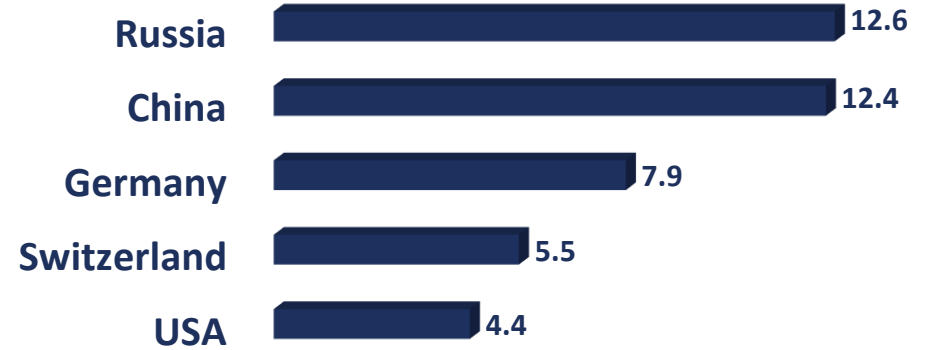
# MERCHANDISE TRADE

## Main Trade Partners

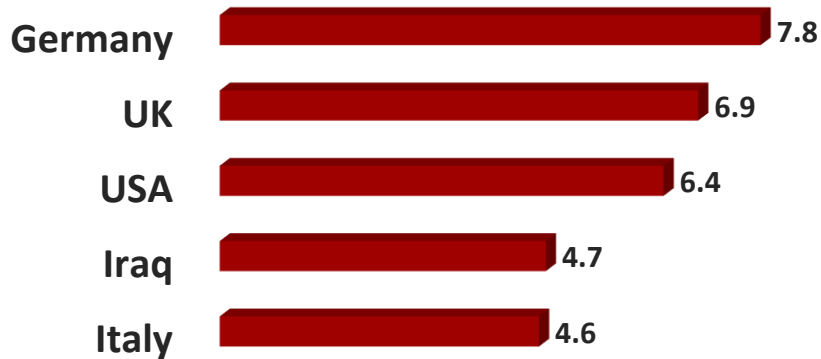
Top 5 Export Partners in 2023 (Share in Total Exports)



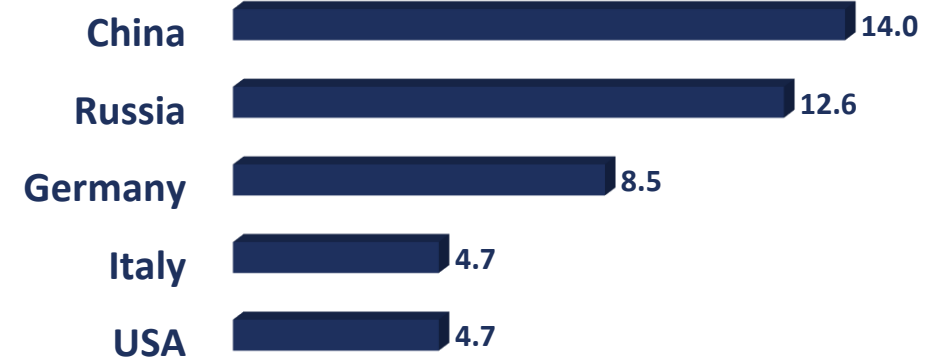
Top 5 Import Partners in 2023 (Share in Total Imports)



Top 5 Export Partners July 2024 (Share in Total Exports)



Top 5 Import Partners July 2024 (Share in Total Imports)



Source: Ministry of Trade

# MERCHANDISE TRADE

## Exports by Regions

Million Dollar			Annual				July				January - July			
			2022	2023	Share (%)	Change (%)	2023	2024	Share (%)	Change (%)	2023	2024	Share (%)	Change (%)
Rank	Main Country Groups	Country Groups												
1	Europe	European Union (EU-27)	103,049	104,284	40.8	1.2	8,535	9,067	40.3	6.2	60,414	62,471	42.0	3.4
		Other European Countries	36,629	39,680	15.5	8.3	2,984	3,704	16.5	24.2	22,498	22,499	15.1	0.0
2	Africa	Other African Countries	9,509	7,724	3.0	-18.8	609	611	2.7	0.4	4,304	4,000	2.7	-7.1
		North African Countries	14,110	13,674	5.3	-3.1	954	1,261	5.6	32.1	7,165	7,989	5.4	11.5
3	America	South American Countries	3,356	2,540	1.0	-24.3	242	214	1.0	-11.6	1,438	1,575	1.1	9.5
		North American Countries	18,773	16,507	6.5	-12.1	1,212	1,599	7.1	32.0	9,309	10,175	6.8	9.3
		Central America and the Caribbean	2,768	2,759	1.1	-0.4	233	282	1.3	20.9	1,478	1,664	1.1	12.6
4	Asia	Other Asian Countries	18,324	19,345	7.6	5.6	1,400	1,838	8.2	31.2	10,544	11,775	7.9	11.7
		Near and Middle Eastern	44,982	45,556	17.8	1.3	3,353	3,798	16.9	13.3	23,920	24,821	16.7	3.8
5	Australia & New Zealand	Australia and New Zealand	1,089	1,075	0.4	-1.3	83	106	0.5	27.5	562	714	0.5	27.2
6	Others	Other Countries	1,581	2,484	1.0	57.2	175	32	0.1	-81.9	1,265	1,107	0.7	-12.5
<b>Total</b>			<b>254,170</b>	<b>255,627</b>	<b>100.0</b>	<b>0.6</b>	<b>19,780</b>	<b>22,512</b>	<b>100.0</b>	<b>13.8</b>	<b>142,896</b>	<b>148,790</b>	<b>100.0</b>	<b>4.1</b>

Source: Ministry of Trade

# MERCHANDISE TRADE

## Imports by Regions

Million Dollar			Annual				July				January - July			
			2022	2023	Share (%)	Change (%)	2023	2024	Share (%)	Change (%)	2023	2024	Share (%)	Change (%)
Rank	Main Country Groups	Country Groups												
1	Europe	European Union (EU-27)	93,287	106,050	29.3	13.7	10,023	9,655	32.5	-3.7	61,966	64,310	32.4	3.8
		Other European Countries	87,506	78,330	21.6	-10.5	7,195	5,537	18.6	-23.0	50,597	39,274	19.8	-22.4
2	Africa	Other African Countries	3,412	3,076	0.8	-9.8	233	316	1.1	36.0	1,656	1,961	1.0	18.4
		North African Countries	6,099	7,291	2.0	19.5	682	721	2.4	5.7	4,207	4,610	2.3	9.6
3	America	South American Countries	9,919	7,161	2.0	-27.8	726	744	2.5	2.4	4,064	5,051	2.5	24.3
		North American Countries	16,545	17,085	4.7	3.3	1,689	1,461	4.9	-13.5	10,045	10,213	5.1	1.7
		Central America and the Caribbean	1,421	1,496	0.4	5.3	136	124	0.4	-8.5	832	850	0.4	2.1
4	Asia	Other Asian Countries	87,935	90,837	25.1	3.3	8,648	8,026	27.0	-7.2	53,940	50,451	25.4	-6.5
		Near and Middle Eastern	21,346	24,824	6.9	16.3	1,495	2,036	6.8	36.2	13,118	11,179	5.6	-14.8
5	Australia & New Zealand	Australia and New Zealand	1,690	1,220	0.3	-27.8	118	79	0.3	-33.4	813	802	0.4	-1.4
6	Others	Other Countries	34,552	24,597	6.8	-28.8	1,367	1,049	3.5	-23.2	15,516	9,915	5.0	-36.1
<b>Total</b>			<b>363,711</b>	<b>361,967</b>	<b>100.0</b>	<b>-0.5</b>	<b>32,311</b>	<b>29,747</b>	<b>100.0</b>	<b>-7.9</b>	<b>216,753</b>	<b>198,616</b>	<b>100.0</b>	<b>-8.4</b>

Source: Ministry of Trade



# MERCHANDISE TRADE

## Exports by Province of Activity (Top 5 Provinces, Million USD)

City	June 2023	June 2024	Change	Share (%)	2022	2023	Change	Share (%)
İstanbul	4,897	4,031	-17.67	21.7	65,314	59,382	-9.1	23.2
Kocaeli	2,447	2,231	-8.80	12.0	28,105	30,627	9.0	12.0
İzmir	1,920	1,555	-18.98	8.4	23,840	23,793	-0.2	9.3
Bursa	1,598	1,263	-20.99	6.8	16,611	17,629	6.1	6.9
Ankara	892	978	9.71	5.3	9,349	11,073	18.4	4.3

### Sorted By June 2024

\*In addition to the export statistics compiled on the basis of the provinces where the headquarters of the firms are located, the Ministry has also compiled Export Statistics by Provinces of Activity, which are calculated on the basis of production locations.

Source: Ministry of Trade, TURKSTAT

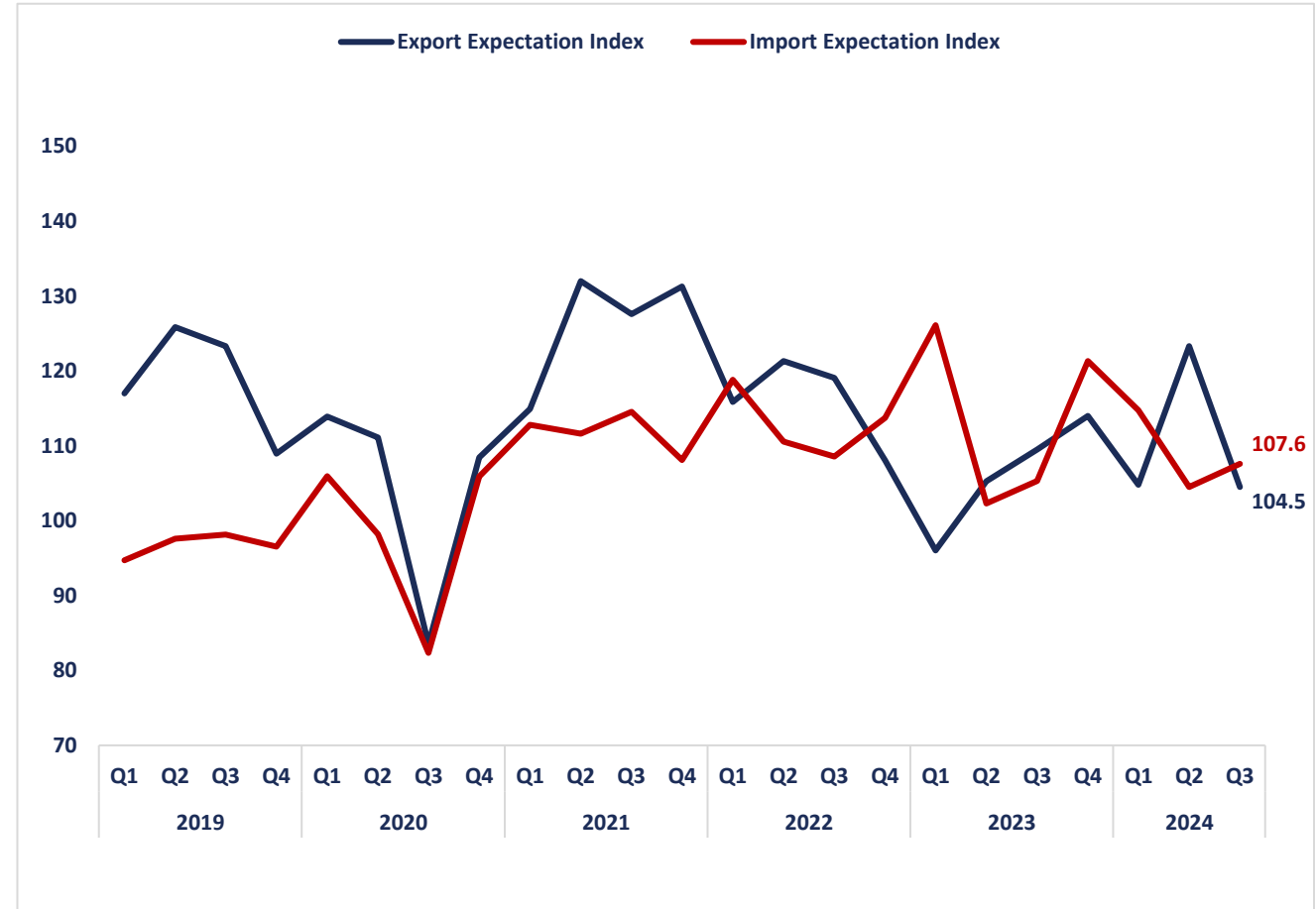
# MERCHANDISE TRADE

## Foreign Trade Expectation Survey

- In the 3<sup>rd</sup> quarter of 2024, the export expectations index is 104.5 and the import expectations index is 107.6.

\*An index greater than 100 indicates that expectations are expected to increase (optimistic), less than 100 indicates that expectations are expected to decrease (pessimistic) and 100 indicates that no change is expected (neutral).

Foreign Trade Expectation Survey (FTES)\*



Source: Ministry of Trade

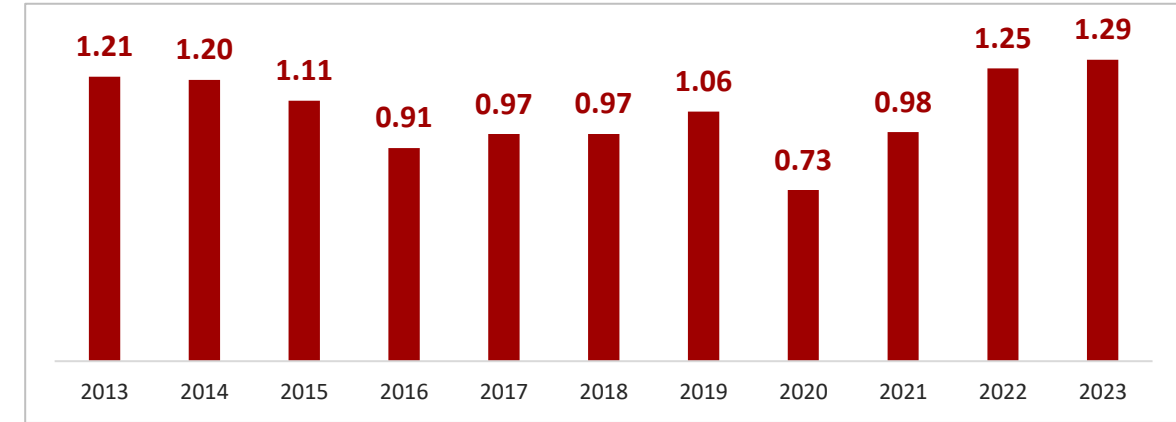
## **2) SERVICES TRADE**

# SERVICES TRADE

## Türkiye's Share in Global Services Trade

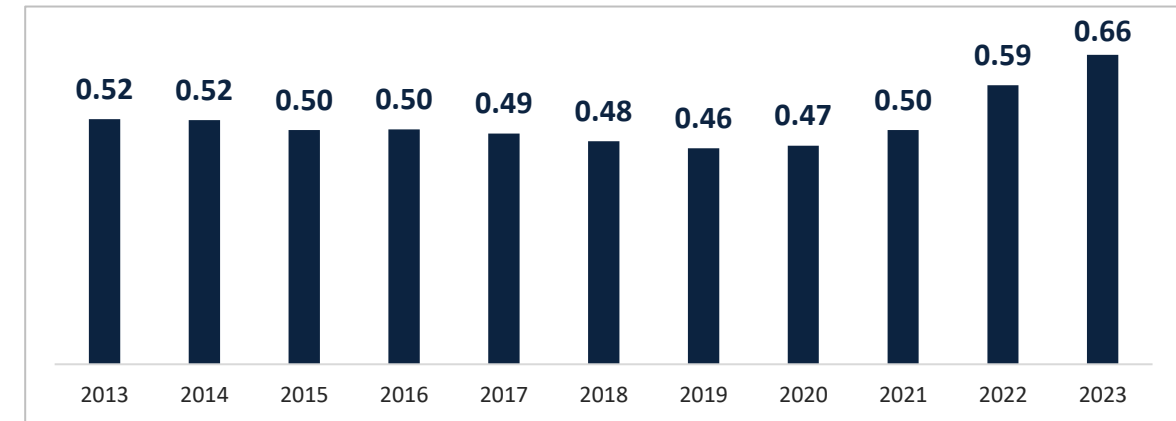
- Türkiye's share in global exports of services realized as 1.29% in 2023.
- Türkiye's share in global imports of services realized as 0.66% in 2023.

Türkiye's Share in Global Services Exports (%)



Source: WTO

Türkiye's Share in Global Services Imports (%)



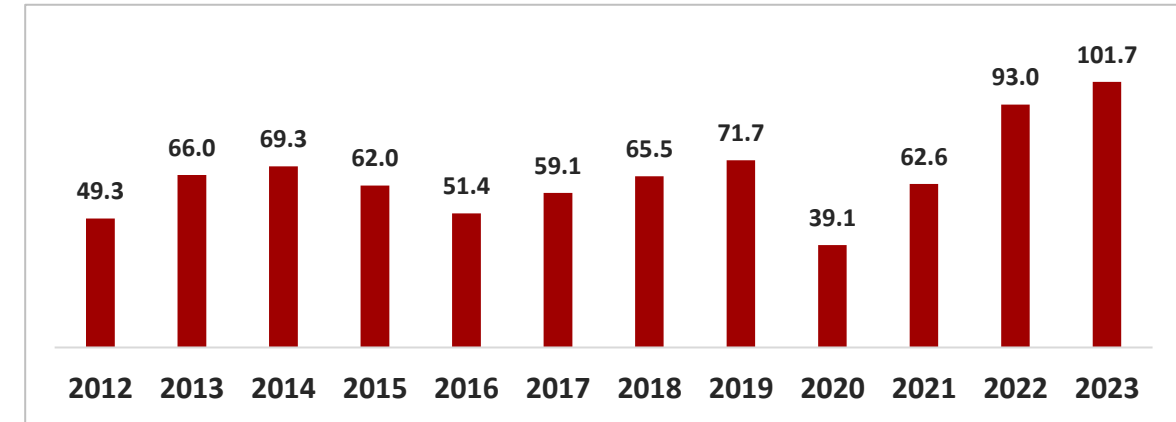
Source: WTO

# SERVICES TRADE

## Türkiye's Services Trade

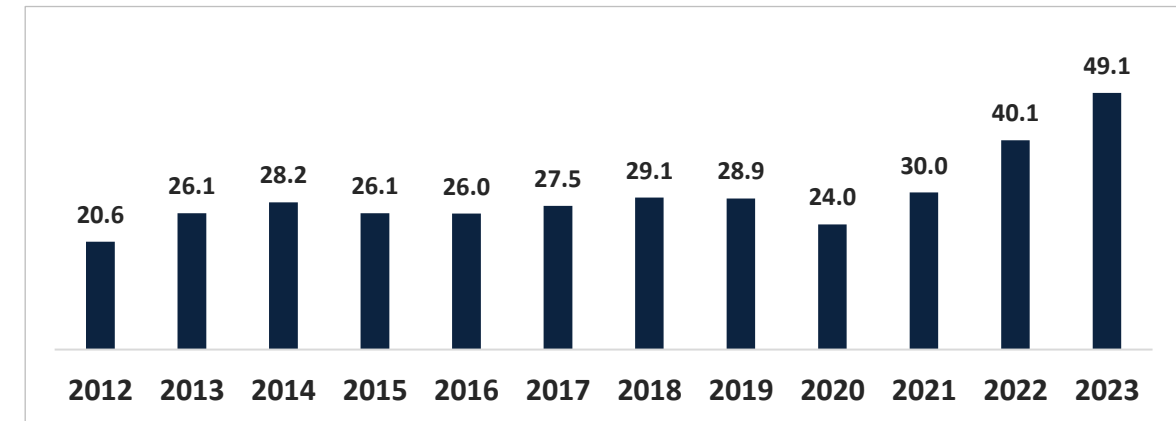
- Türkiye's services exports amounted to USD 101.7 billion in 2023.
- Türkiye's services imports was realized as USD 49.1 billion in 2023. Thus, the balance of services recorded a surplus of USD 52.6 billion in 2023.

Türkiye's Services Exports (Billion USD)



Source: CBRT

Türkiye's Services Imports (Billion USD)



Source: CBRT

# SERVICES TRADE

## Balance of Payments - Services Items

Credit Million Dollar	May			January - May		
	2023	2024	Change (%)	2023	2024	Change (%)
Services	8,089	9,245	14.3	33,500	36,822	9.9
Transport	2,878	3,236	12.4	12,974	13,987	7.8
Travel	3,869	4,566	18.0	14,299	15,849	10.8
Construction	22	19	-13.6	100	97	-3.0
Insurance and pension services	302	264	-12.6	1,221	1,296	6.1
Financial Services	30	31	3.3	164	201	22.6
Charges for the use of intellectual property	39	44	12.8	165	164	-0.6
Telecommunications, computer, information serv,	244	341	39.8	1,295	1,640	26.6
Other business services	360	394	9.4	1,765	2,000	13.3
Personal, cultural, and recreational services	29	31	6.9	135	128	-5.2
Government goods and services	43	43	0.0	178	167	-6.2
Debit Million Dollar	May			January - May		
	2023	2024	Change (%)	2023	2024	Change (%)
Services	4,063	4,521	11.3	18,684	21,721	16.3
Transport	1,673	1,839	9.9	7,521	8,487	12.8
Travel	626	651	4.0	2,680	3,189	19.0
Construction	0	0	-	24	3	-87.5
Insurance and pension services	369	476	29.0	1,832	2,349	28.2
Financial Services	47	47	0.0	248	255	2.8
Charges for the use of intellectual property	228	252	10.5	1,225	1,406	14.8
Telecommunications, computer, information serv,	312	338	8.3	1,579	1,778	12.6
Other business services	591	694	17.4	2,656	3,216	21.1
Personal, cultural, and recreational services	37	45	21.6	178	243	36.5
Government goods and services	114	114	0.0	522	523	0.2

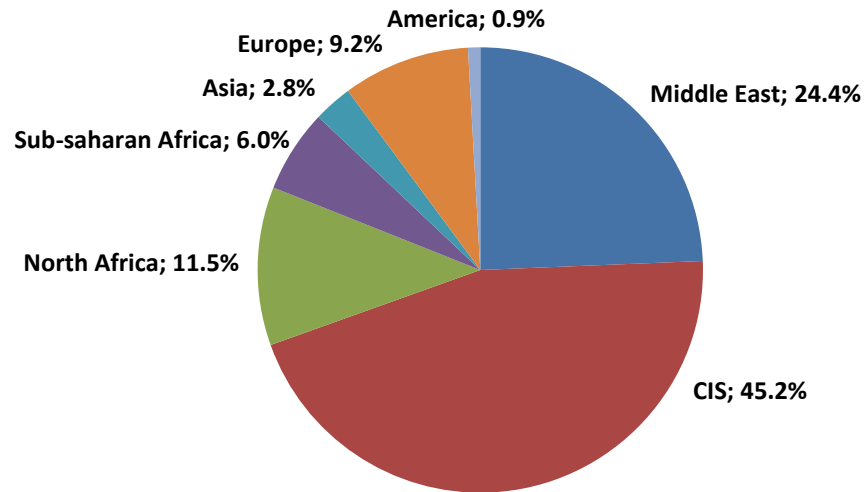
Source: CBRT

# SERVICES TRADE

## Contracting Services Abroad

- There are 40 Turkish companies in the list of the world's 250 largest contracting companies in 2023. In this regard, Türkiye ranks 2<sup>nd</sup> after China.

Distribution of Contracting Services By Country Groups (%)  
(1971-2024 July)



## Contracting Services Abroad

Years	Projects	Countries	Project Volume (Billion USD)	Cum. Project Volume (Billion USD)	Avr. Project Volume (Billion USD)
1971-2002	2,425	48	49.8	49.8	0.021
2003	339	35	6.4	56.1	0.019
2004	477	36	8.6	64.8	0.018
2005	452	33	12.9	77.7	0.029
2006	577	35	22.4	100.1	0.039
2007	613	45	25.6	125.7	0.042
2008	667	39	24.7	150.4	0.037
2009	505	45	20.1	170.6	0.040
2010	632	50	23.3	193.9	0.037
2011	561	51	24.8	218.7	0.044
2012	551	49	31.7	250.4	0.058
2013	437	50	31.2	281.6	0.071
2014	360	54	26.7	308.3	0.074
2015	287	57	24.0	332.3	0.084
2016	221	56	15.0	347.3	0.068
2017	314	52	17.9	365.2	0.057
2018	388	53	22.7	387.9	0.058
2019	544	45	19.9	407.8	0.037
2020	386	42	16.9	424.7	0.044
2021	454	71	31.1	455.8	0.069
2022	505	67	19.9	475.7	0.039
2023	431	68	28.0	503.8	0.065
2024*	131	33	10.8	514.6	0.082

Source: Ministry of Trade

\* 2024 January-July Data.

# **D- INVESTMENT CLIMATE**

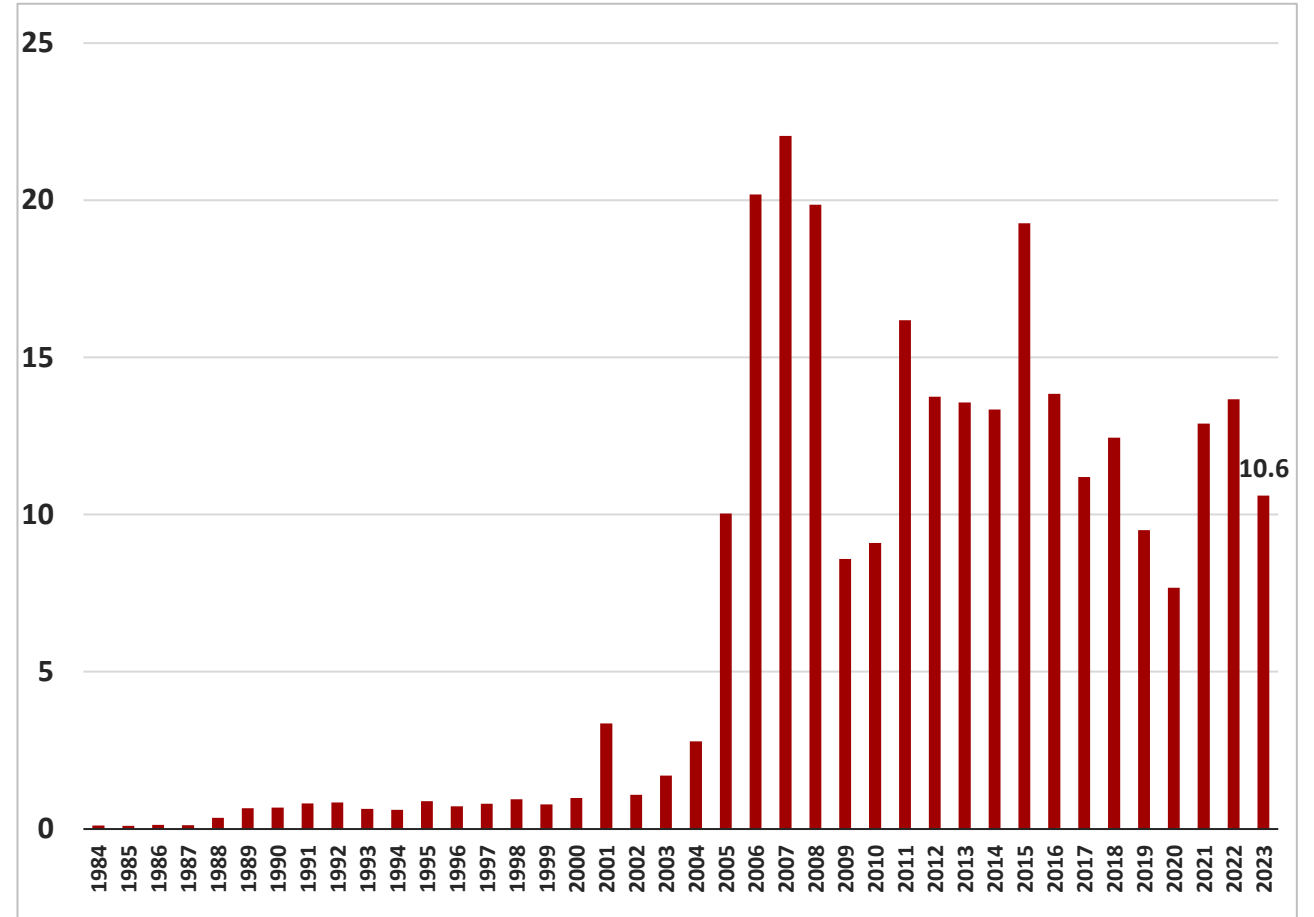


# INVESTMENT CLIMATE

## Foreign Direct Investment

- FDI stock reached USD 262.2 billion over the 2003-2023 period. It was USD 14.6 billion in the 1984-2002 period.
- In May 2023, FDI inflows realized as 643 million dollars. In May 2024, FDI inflows realized as 1 billion 074 million dollars.

Foreign Direct Investment (Billion USD)



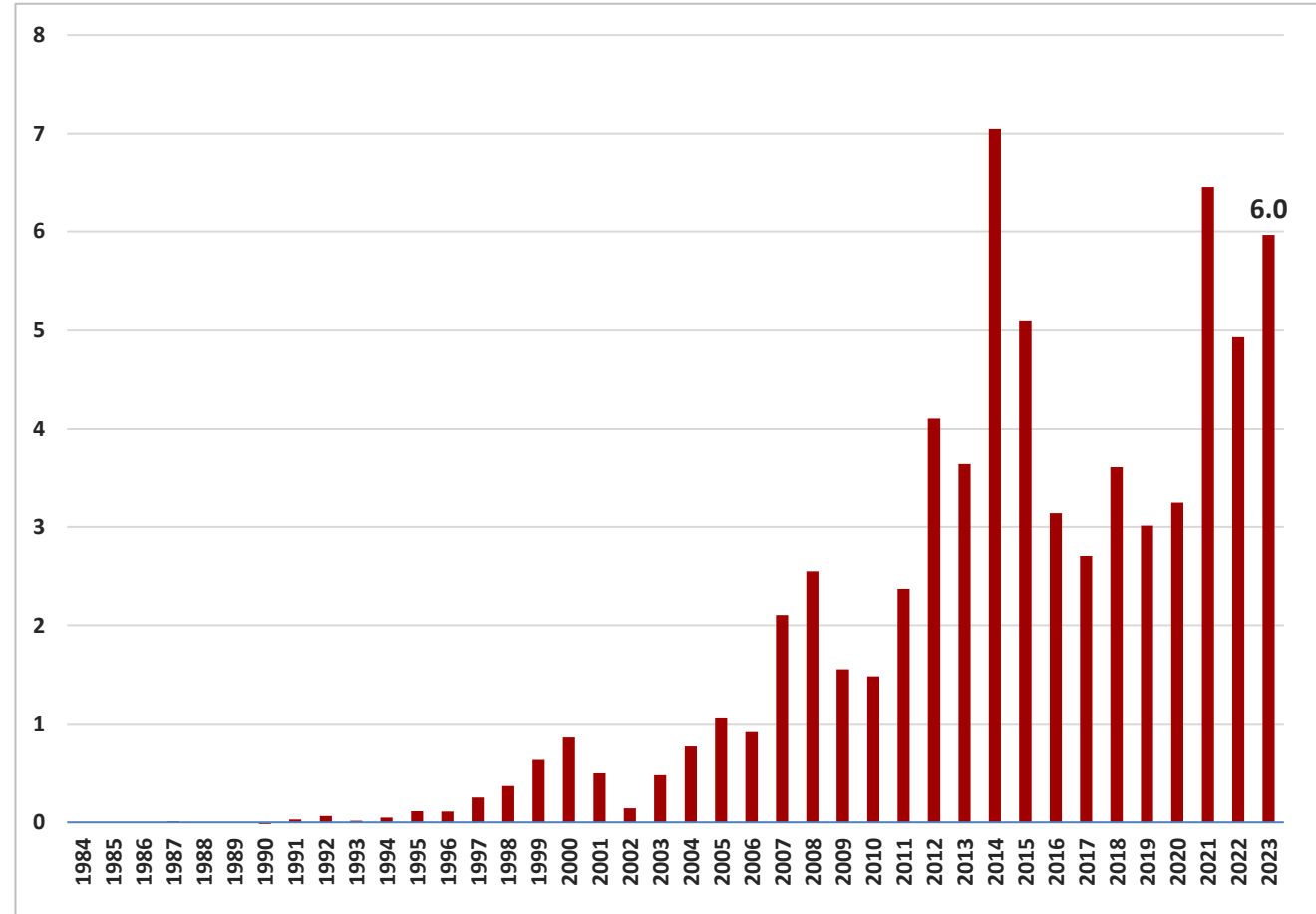
Source: CBRT

# INVESTMENT CLIMATE

## Foreign Direct Investment Abroad

- Direct investments from Türkiye to abroad reached USD 66.2 billion from 2003 to 2023 on a cumulative basis.
- In May 2024, foreign direct investment increased by 36% compared to the same month of the previous year, and realized as 713 million dollars.

Foreign Direct Investment Abroad (billion USD)

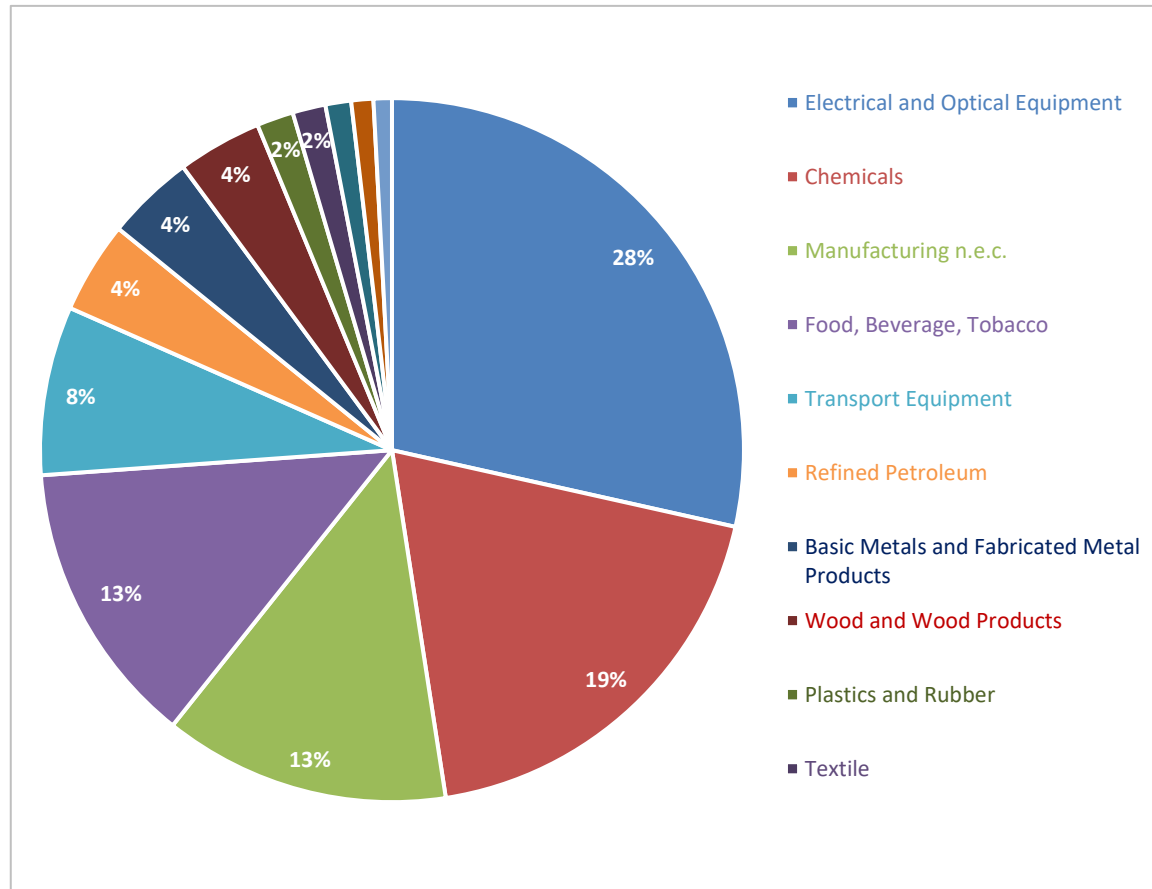


Source: CBRT

# INVESTMENT CLIMATE

## The Sectoral Breakdown of Foreign Investments

Breakdown of Investment in Manu. Industry (%) (2024 January-May)



Source: CBRT

The Sectoral Breakdown of Foreign Investments (Million USD)

SECTORS	Annual		January - May	
	2022	2023	2023	2024
AGRICULTURE	71	28	5	76
INDUSTRIAL SECTORS	2,099	2,373	1,197	796
Mining and Quarrying	174	171	170	171
Manufacturing	1,565	1,706	768	593
Electricity, Gas, Steam and Air-conditioning Supply	360	494	259	32
Water Supply; Sewerage, Waste Management and Remediation	0	2	0	0
SERVICES SECTOR	4,815	3,177	1,092	1,413
<b>TOTAL</b>	<b>6,985</b>	<b>5,578</b>	<b>2,294</b>	<b>2,285</b>

Source: CBRT

# INVESTMENT CLIMATE

## Breakdown of Foreign Investments by Country (Million USD)

Rank*	Countries	2023 FDI	2024 FDI (May)	2024 FDI (January-May)
1	Norway	0	229	231
2	Netherlands	1134	109	452
3	Czech Republic	3	50	50
4	Sweden	17	29	49
5	Azerbaijan	53	25	57
6	Germany	687	24	215
7	Switzerland	207	24	74
8	Austria	36	18	24
9	United States of America	255	17	371
10	Singapore	39	13	37
11	England	324	12	223
12	Italy	59	7	56
13	Ireland	272	6	104
14	Luxembourg	83	4	9
15	Malta	4	4	9
16	Denmark	18	3	7
17	United Arab Emirates	584	3	54
18	Belgium	159	2	10
19	China	36	2	21
20	Spain	130	1	64
	<b>LIST TOTAL</b>	<b>4,100</b>	<b>582</b>	<b>2,117</b>
	<b>TOTAL</b>	<b>5,578</b>	<b>590</b>	<b>2,285</b>

Source: CBRT

\*Sorted by FDI in May 2024

**E- FREE ZONES**

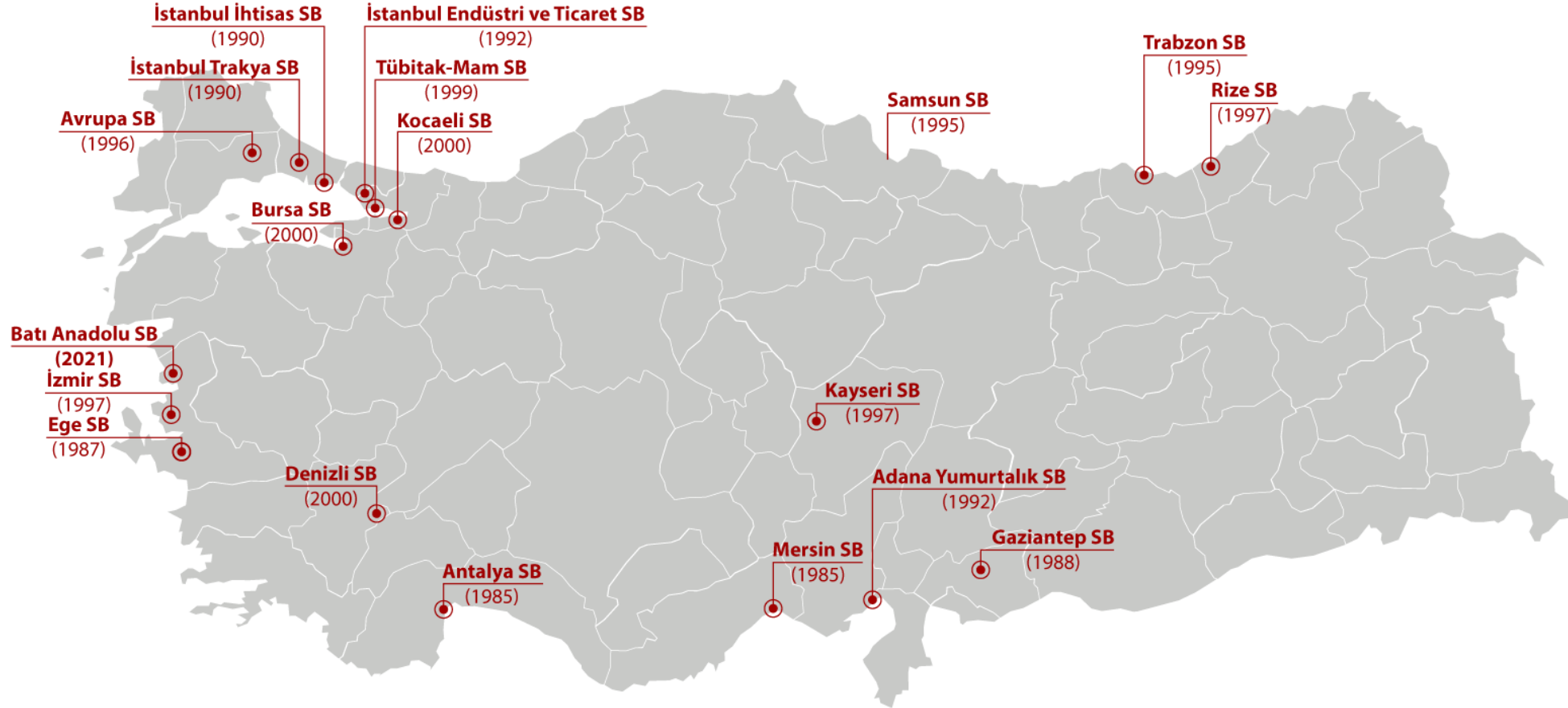
# FREE ZONES

## The Advantages of Free Zones

- Tax advantages for manufacturers
- Medium-and long-term investment view
- Availability to transfer profits
- Commercial facilities
- Exemption from customs duties
- Acquisition of the documents relating to the free movement of goods under the scope of Customs Union with the EU
- Principle of equality
- No time restrictions
- Flexibility to adjust to the market needs and conditions
- Reliable inflation accounting
- Market access to domestic and foreign markets
- Reduced bureaucratic procedures and dynamic business management
- Strategic advantages
- Affordable and compatible infrastructure
- Supply chain opportunities

# FREE ZONES

## Free Zones in Türkiye



As of July 2024, 95,513 people were employed in Free Zones.

# FREE ZONES

## Specialized Free Zones

- Specialized Free Zones project was implemented in order to increase the share of R&D, value added and high technology products and services production in foreign trade from free zones.
- In this context, Istanbul Specialized Free Zone was declared on 20/02/2020.
- With the President's Decree No. 2635, R&D-intensive; employment and rent supports are provided to high value-added, innovation and technology-focused investments focusing on exports with wider opportunities.
- Investments on software and IT production in specialized free zones were included among the priority investments and benefit from Region 5 Incentives in General Investment Incentives Scheme.





# FREE ZONES

## Trade Flows of Free Zones (Million USD)

Million USD	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024**
From Domestic Market To Free Zones	2,887	2,732	2,205	2,125	2,376	2,563	2,665	2,574	3,466	3,808	3,870	2,018
From Free Zones To Abroad	7,701	7,958	7,494	7,041	7,525	8,147	7,978	7,727	9,755	11,431	12,655	6,974
From Abroad To Free Zones	7,490	7,059	6,550	5,868	6,404	6,453	5,633	7,028	7,073	11,155	9,278	4,477
From Free Zones To Domestic Market	5,162	4,683	4,012	3,999	4,073	3,766	3,379	4,729	4,325	6,430	5,063	2,237
<b>TOTAL TRADE VOLUME*</b>	<b>23,240</b>	<b>22,432</b>	<b>20,261</b>	<b>19,033</b>	<b>20,378</b>	<b>20,929</b>	<b>19,656</b>	<b>22,058</b>	<b>24,618</b>	<b>32,823</b>	<b>30,867</b>	<b>15,706</b>

In January-July 2024, the total inward and outward trade flows in the free zones was USD 15.7 billion.

*Source: General Directorate of Free Zones, Ministry of Trade*

*\*Total inward and outward trade flows*

*\*\* Includes data for January-July 2024.*

# FREE ZONES

## Concentration in Free Zones by Industries

Istanbul Specialized FZ	Services and Software
Antalya FZ	Yacht-building, Medical Equipment
Kocaeli FZ	Ship-building
Avrupa FZ	Ready-Wear
Mersin FZ	Ready Wear
Bursa FZ	Automotive sub-industries
Izmir FZ	Leather
TUBITAK – MAM Technology FZ	R&D Activities
Adana Yumurtalik FZ	Ship Repair and Maintenance

Source: General Directorate of Free Zones, Ministry of Trade

**F- BILATERAL, PLURILATERAL, REGIONAL and  
MULTILATERAL TRADE**

# BILATERAL, PLURILATERAL, REGIONAL and MULTILATERAL TRADE

## Trade Relations of Türkiye

### ■ Bilateral Trade Relations

- Europe, Asia-Pacific, Eurasia, Middle East and North Africa, Sub-Saharan Africa, Americas
- Türkiye has a Joint Economic Commission (JEC) mechanism with 125 countries and an Economic and Commercial Joint Committee (JETCO) mechanism with 27 countries, 19 of which are EU member countries.

### ■ Regional Trade Relations

- EU, ECO, D8, BSEC, OIC, COMCEC, Organization of Turkic States

### ■ Multilateral Trade Relations

- WTO, G20

# BILATERAL, PLURILATERAL, REGIONAL and MULTILATERAL TRADE

## Free and Preferential Trade Agreements

In Force	
FTA	
EFTA (1992) Revised EFTA (2021)	Serbia (2010) Additional Protocols (2019)
Israel (1997)	Montenegro (2010) Additional Protocols (2022)
North Macedonia (2000)	Chile (2011)
Bosnia and Herzegovina (2003) Revised Bosnia and Herzegovina (2021)	Mauritius (2013)
Tunisia (2005)	South Korea (2013) Investment and Services (2018)
Palestine (2005)	Malaysia (2015) Additional Protocol (Internal Approval)
Morocco (2006)	Moldova (2016)
Egypt (2007)	Faroe Islands (2017)
Albania (2008)	Singapore (2017)
Georgia (2008) Additional Protocols (Internal Approval)	Kosovo (2019)
United Kingdom (2021)	Venezuela (2020)
United Arab Emirates (2023)	

In Force	
PTA	
Iran (2015)	Azerbaijan (2021) Additional Protocol (Internal Approval)
Pakistan (2023)	Uzbekistan (2023)

Completed Negotiations	On-going Negotiations
<b>FTA</b>	<b>FTA/PTA</b>
Lebanon	Japan
Qatar	Thailand
Sudan	Indonesia
Ukraine	<b>PTA</b>
	Mauritania

In force: 23 FTAs and 4 PTAs

Negotiation Process Completed: 4 FTAs

Negotiation Process Ongoing: 3 FTAs and 1 PTA

# BILATERAL, PLURILATERAL, REGIONAL and MULTILATERAL TRADE

## G20 Presidency

- G20 is composed of United States, Germany, Argentina, European Union, Australia, Brazil, China, Indonesia, France, South Africa, South Korea, India, United Kingdom, Italy, Japan, Canada, Mexico, Russia, Saudi Arabia and Türkiye.
- G20 accounts for 80% of the world economy, 75% of global trade and is home to almost two thirds of the world's population.
- G20 Term Presidency is carried out by a member country every year. In 2020, G20 Term Presidency has been assumed by Saudi Arabia. In 2021, the G20 Term Presidency was carried out by Italy. In 2022, G20 Presidency was carried out by Indonesia. In 2023, the G20 Presidency has been assumed by India. G20 Presidency is being assumed by Brazil in 2024 and will be assumed by South Africa in 2025.

# BILATERAL, PLURILATERAL, REGIONAL and MULTILATERAL TRADE

## Organization of Turkic States

### Organization of Turkic States (OTS)

	Member States
	Azerbaijan
	Kazakhstan
	Kyrgyzstan
	Uzbekistan
	Türkiye
Observer Countries	
	Turkish Republic of Northern Cyprus (TRNC)
	Hungary
	Turkmenistan

### Economic Indicators of Member and Observer Countries (2022)

Countries	GDP (Billion USD)	GDP Growth Rate (%)	Merchandise Export (Billion USD)	Merchandise Import (Billion USD)
Member States				
Azerbaijan	69.9	4.6	40.8	13.5
Kazakhstan	225.8	3.2	84.4	500.0
Kyrgyzstan	11.1	7.0	2.3	4.3
Uzbekistan	80.4	5.7	19.3	30.7
Türkiye	905.5	5.6	254.2	363.7
Observer Countries				
TRNC*	3.4	4.0	0.1	1.3
Hungary**	168.3	4.9	148.9	158.0
Turkmenistan**	78.0	1.8	10.6	4.0

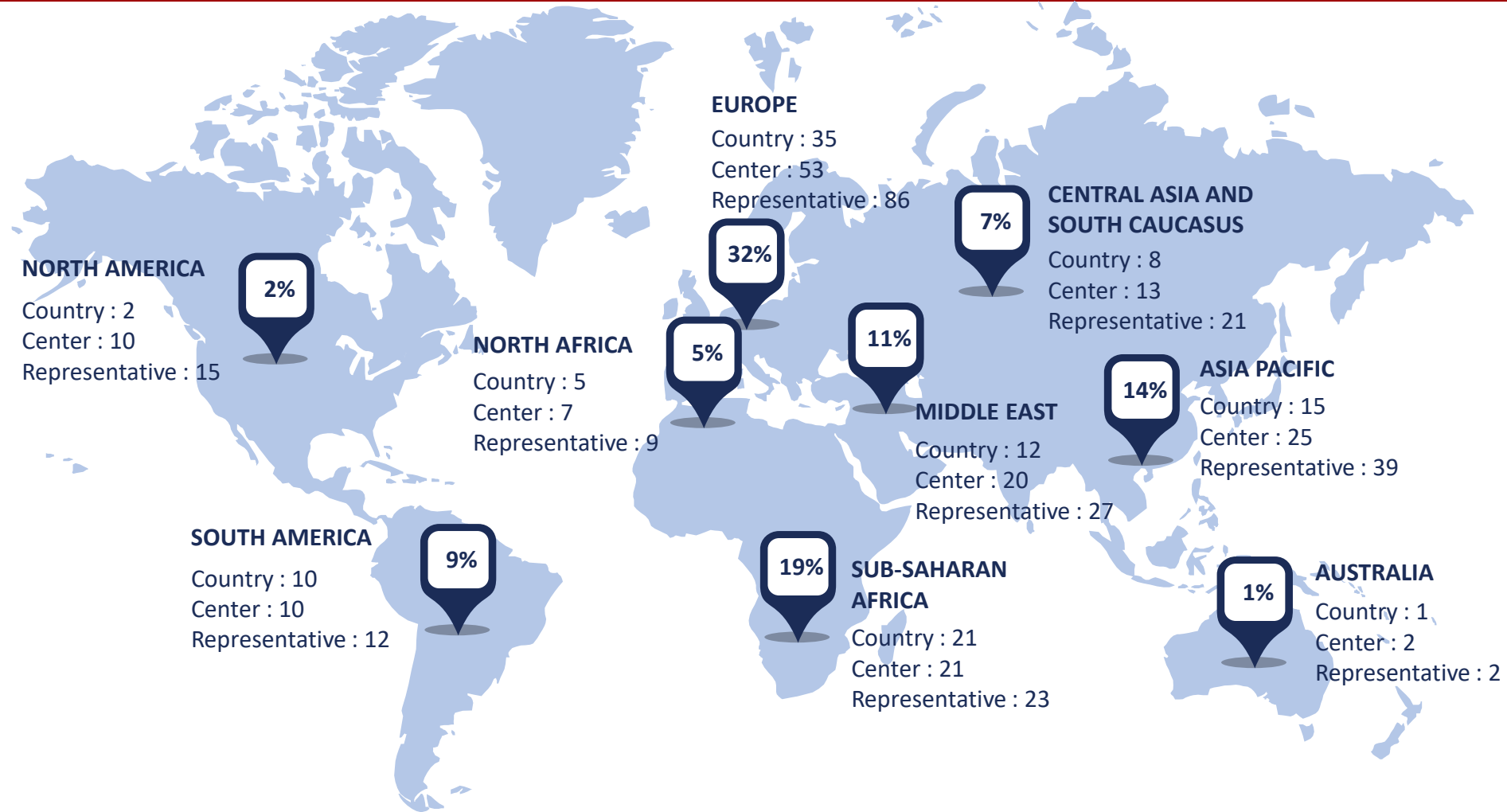
Source: Trademap, IMF, Turkish Cypriot Chamber of Commerce, Central Bank of TRNC, Economic Outlook of the Turkic Republics

\*2021 Year Data

\*\*Estimated Data

# BILATERAL, PLURILATERAL, REGIONAL and MULTILATERAL TRADE

## Ministry of Trade Overseas Organization



Currently, **234** Representatives of the Ministry are serving in **109** countries and **161** centers, **3** of which are Permanent Representations.





REPUBLIC OF TÜRKİYE  
MINISTRY OF TRADE



TURKIYE  
CENTURY



THE 100TH ANNIVERSARY OF THE REPUBLIC OF TÜRKİYE