

## **COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-TURKEY BILATERAL TRADE RELATIONS**

### **INTRODUCTION & BRIEF ECONOMIC OVERVIEW**

1. The Republic of Turkey lies partly in south-eastern Europe and partly in western Asia. The European and Asian portions of the country (known, respectively, as Thrace and Anatolia) are separated by the Sea of Marmara, linking the Black Sea and the Aegean Sea. Turkey has an extensive coastline: on the Black Sea, to the north; on the Mediterranean Sea, to the south; and on the Aegean Sea, to the west. Most of Turkey lies in Asia, the vast Georgia, the Nakhichevan Autonomous Republic (part of Azerbaijan) and Iran, and to the south by Iraq and Syria. The smaller European part of the country is bordered to the west by Greece and Bulgaria. Turkey is a member of the UN, WTO, BIS, OECD, NATO, Council of Europe, OSCE, BSEC, Asian Development Bank, ECO, OIC and an Associate Member of the WEU, and has applied to join the EU.

2. Turkey is an upper-middle-income, diversified Middle Eastern economy; industrializing economy that maintains large agricultural base; key energy, tourism, and construction sectors; high inflation, interest rates, and foreign debt pose risk to financial stability. According to IMF Executive Board Conclusion 2024 Article IV Consultation with Turkey October 11, 2024, Turkey's "Headline inflation has fallen as tighter financial conditions are weighing on domestic demand. Market sentiment has sharply improved, with domestic and foreign investors shifting into lira-denominated assets while lower commodity prices, buoyant exports, and reduced gold imports have strengthened the current account, supporting a large improvement in both the gross and net reserves position. The financial and corporate sectors appear to have weathered the policy tightening and financial liberalization so far. Credit default swaps (CDS) spreads are now at about half their mid-2023 levels".

**A snapshot of Turkey's selected economic indicators is as under.**

**TABLE – 1**

<b>Turkey: Selected Economic Indicators, 2019–29</b>											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Real sector</b>	<b>Proj.</b>										
Real GDP growth rate	0.8	1.9	11.4	5.5	5.1	3.0	2.7	3.2	3.4	3.7	3.9
Contributions to real GDP growth											
Private consumption	0.9	1.9	9.2	11.7	9.5	1.1	0.3	1.9	2.0	2.0	2.0
Public consumption	0.5	0.3	0.4	0.6	0.3	0.4	0.5	0.5	0.4	0.5	0.4
Investment (incl. inventories)	-3.0	4.8	-3.2	-7.5	-1.6	0.6	2.6	1.1	1.2	1.6	1.7
Net exports	2.4	-5.2	5.0	0.7	-3.1	0.9	-0.6	-0.2	-0.2	-0.3	-0.2
Output gap	-2.1	-4.6	1.1	1.5	1.9	0.7	-0.3	-0.5	-0.5	-0.2	0.0
GDP deflator growth rate	13.9	14.8	29.0	96.0	68.2	60.0	31.4	20.4	16.6	15.3	15.2
Inflation (period-average)	15.2	12.3	19.6	72.3	53.9	60.9	33.0	19.2	16.0	15.0	15.0
Inflation (end-year)	11.8	14.6	36.1	64.3	64.8	43.0	24.0	17.2	15.3	15.0	15.0
Unemployment rate	13.7	13.1	12.0	10.4	9.4	9.3	9.9	9.6	9.5	9.3	9.2
<b>Fiscal sector</b>			<b>(Percent of GDP)</b>								

Nonfinancial public sector overall balance	-5.0	-4.7	-3.0	-2.7	-5.4	-5.3	-3.7	-3.1	-3.2	-3.1	-3.1
General government overall balance (headline) 1/	-3.0	-4.0	-2.6	-0.8	-5.2	-5.3	-3.5	-3.0	-3.0	-3.0	-3.0
General government gross debt (EU definition)	32.4	39.4	40.4	30.8	29.3	25.2	26.0	26.0	25.9	25.6	
<b>External sector</b>											
Current account balance	2.0	-4.3	-0.8	-5.1	-4.0	-2.2	-2.1	-2.0	-1.9	-1.9	-1.9
Gross external debt	54.5	59.8	53.9	50.5	45.2	41.3	39.8	40.9	40.4	39.9	39.3
Gross financing requirement	18.0	24.8	21.0	22.9	21.2	19.1	20.0	20.5	20.1	20.0	19.8
<b>Monetary conditions (Percent)</b>											
Real average cost of CBRT funding to banks	5.4	-1.7	-1.9	-59.4	-35.4	...	...	...	...	...	...
Growth of broad money (M2)	27.3	33.9	53.0	59.2	70.1	...	...	...	...	...	...
Growth of credit to private sector	10.9	34.7	37.0	54.7	54.0	...	...	...	...	...	...

Sources: Turkish authorities; and IMF staff estimates and projections.

1/ Headline (or authorities' definition), which includes items excluded from the IMF 'program' definition.

## FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Turkey are Germany, United States, Iraq, United Kingdom and Italy. On the other hand four major import partners of Turkey are Russian Federation, China, Germany and Switzerland. Major five exported goods of Turkey are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Art. of jewellery and pts thereof, (iii) Diesel powered trucks with a GVW, (iv) Bars & rods and (v) Automobiles nes including gas turbine powered. On the other hand major five imported goods of Turkey are (i) Gold in unwrought forms non-monetary, (ii) Petroleum oils, etc, (excl. crude); preparation, (iii) Ferrous waste and scrap, iron or steel, nes, (iv) Bituminous coal, not agglomerated and (v) Aluminium unwrought, not alloyed.

4. Turkey's total exports globally in 2020 were of the order of USD 169,658 million. It scaled up to USD 261,855 million in 2024. Exports from Turkey increased by 32.75% in the year 2021 just after the initial serious impact of Covid-19 pandemic followed by another 12.86% increase in 2022 compared to 2021. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 11.46%.

5. Turkey's total imports from the world in 2020 were of the order of USD 219,514 million and was USD 344,020 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 11.89%.

6. Turkey faced an overall Balance of Trade deficit from 2020 and 2024 and it increased from USD 49,856 million in 2020 to USD 82,165 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 11.70%.

**TABLE – 2**

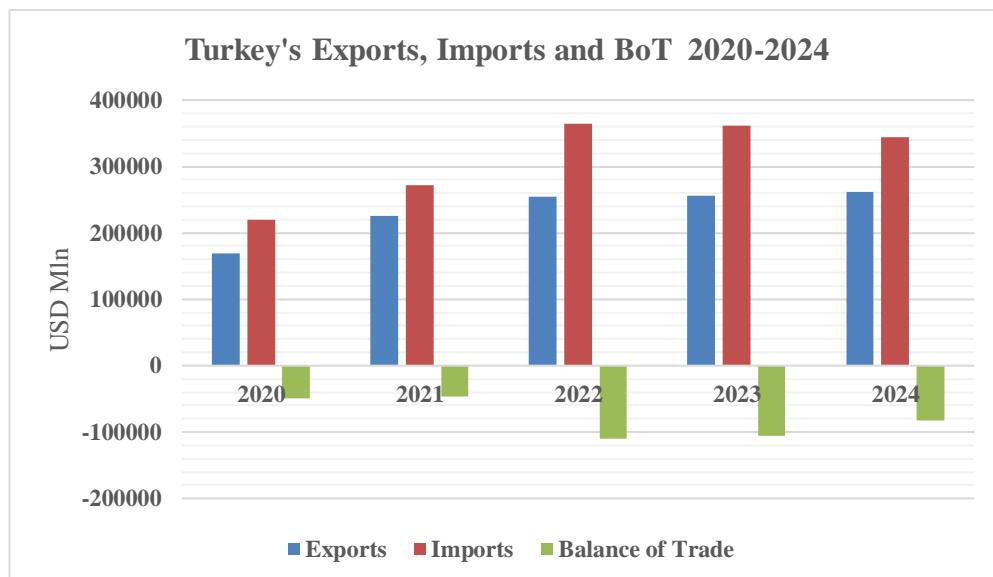
**TURKEY'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE  
AND BALANCE OF TRADE BETWEEN 2020 TO 2024**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	169658		219514		3,89,172		-49856
2021	225214	32.75	271426	23.65	4,96,640	27.61	-46212
2022	254170	12.86	363711	34.00	6,17,881	24.41	-109541
2023	255627	0.57	361967	-0.48	6,17,594	-0.05	-106340
2024	261855	2.44	344020	-4.96	6,05,875	-1.90	-82165
<b>Annual Compound Growth Rate</b>		<b>11.46</b>			<b>11.89</b>		<b>11.70</b>

**NOTE** : Figures relate to calendar year (January to December)

**SOURCE** : UN COMTRADE PUBLICATION

**FIGURE-1**



## BILATERAL TRADE WITH INDIA

### Merchandise Trade

7. The India-Turkey economic and commercial cooperation constitutes an important dimension of the bilateral relationship. India maintains a trade surplus, with major exports including engineering goods, chemicals, and electronic goods, while Turkey's primary exports to India are marble, fruits, and mineral fuels. Turkey ranked 22nd as an export destination of India in FY 2024-25. India had exported to Turkey almost 1.31% of its total export value in FY 2024-25. In the same financial year imports from Turkey was 0.53% of India's total import value. Almost 0.71% of India's total international trade value of goods was between India and Turkey as recorded in DGCI&S database for FY 2024-25.

8. Indo-Turkey total volume of bilateral trade in FY 2020-21 was of the order of USD 5,420.22 million. It was USD 9,540.36 million in FY 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2020-21 to 2024-25 had been of the order of 15.18%.

9. It is seen from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Turkey. It has been observed that exports from India to Turkey increased steeply by 120.50% in FY 2021-22 over FY 2020-21. The annual average compound rate of growth of Exports was 9.66% during the period under review. On the other hand, imports from Turkey to India increased by 110.78% in FY 2022-23 over FY 2021-22 but it was 36.08% hike just after the pandemic hit year 2021-22. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 27.06%.

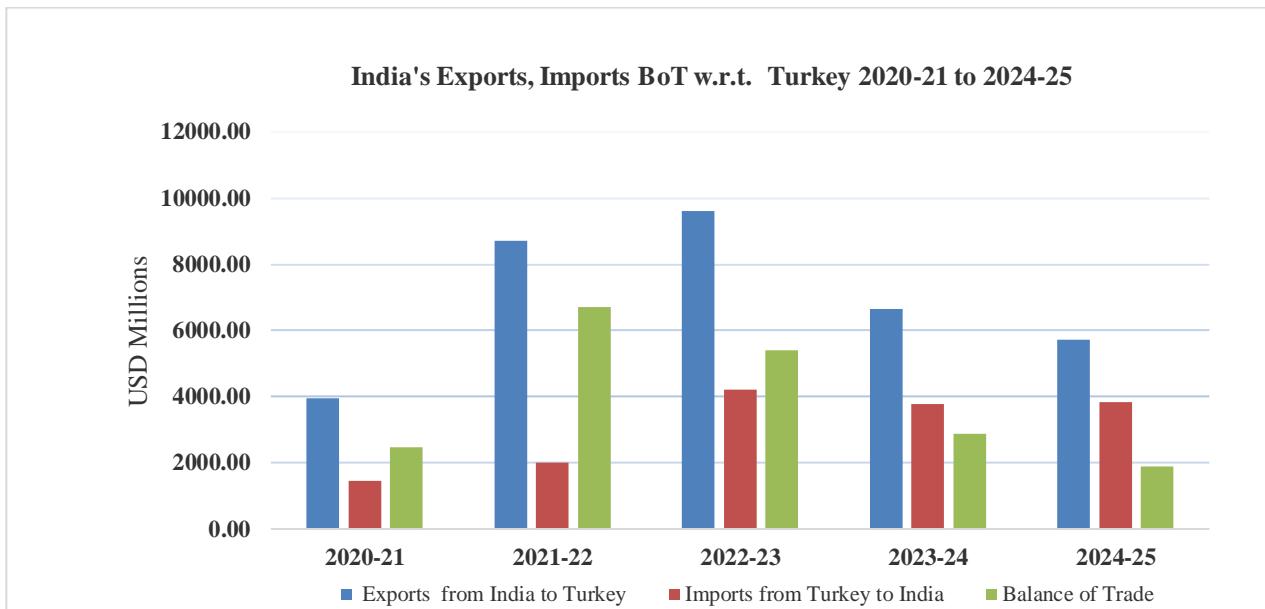
A snapshot of India's merchandise trade statistics w.r.t. Turkey is presented in Table 3 & Figure 2.

**TABLE - 3**  
**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. TURKEY**  
**FY 2020-21 to 2024-25**  
**(Value in USD Million)**

Year	Exports from India to Turkey	Percentage Growth in Exports	Imports from Turkey to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	3952.89		1467.33		5420.22		2485.56
2021-22	8716.13	120.50	1996.75	36.08	10712.88	97.65	6719.38
2022-23	9609.69	10.25	4208.84	110.78	13818.53	28.99	5400.85
2023-24	6655.84	-30.74	3781.08	-10.16	10436.92	-24.47	2874.76
2024-25	5716.53	-14.11	3823.83	1.13	9540.36	-8.59	1892.70
<b>Annual Compound Growth Rate</b>	<b>9.66</b>			<b>27.06</b>			<b>15.18</b>

NOTE : Figures relate to Financial Year (April to March)  
SOURCE : DGCI&S, M/o C&I

**FIGURE-2**



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. (i) **Aluminum, Products of Aluminum** (ii) **Auto Components/Parts** and (iii) **Aircraft, Spacecraft And Parts** occupied the top three slots in India's exports to Turkey in FY 2024-25. **Aluminum, Products of Aluminum** occupied 13.37% share of India's total exports to Turkey in FY 2024-25.
- b. (i) **Petroleum: Crude** (ii) **Gold** and (iii) **Inorganic Chemicals** were the three major commodities in India's imports list from Turkey in the year 2024-25, India imported a significant amount of **Petroleum:Crude** from Turkey with a share of 38.90% of total imports from Turkey recorded in FY 2024-25.

**TABLE -4**

**INDIA'S MAJOR ITEMS OF MERCHANTISE EXPORTS TO TURKEY  
From 2020-21 TO 2024-25 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023- 24
1	<b>Aluminium, Products Of Aluminium</b>	<b>61.00</b>	<b>893.23</b>	<b>315.03</b>	<b>120.85</b>	<b>764.29</b>	<b>1364.31</b>	<b>-64.73</b>	<b>-61.64</b>	<b>532.43</b>
	Share in total export	1.54	10.25	3.28	1.82	13.37				
2	<b>Auto Components/Parts</b>	<b>291.73</b>	<b>350.01</b>	<b>401.83</b>	<b>555.19</b>	<b>460.40</b>	<b>19.98</b>	<b>14.81</b>	<b>38.17</b>	<b>-17.07</b>
	Share in total export	7.38	4.02	4.18	8.34	8.05				
3	<b>Aircraft, Spacecraft And Parts</b>	<b>8.01</b>	<b>14.04</b>	<b>45.93</b>	<b>70.66</b>	<b>313.46</b>	<b>75.28</b>	<b>227.14</b>	<b>53.84</b>	<b>343.62</b>
	Share in total export	0.20	0.16	0.48	1.06	5.48				
4	<b>Telecom Instruments</b>	<b>85.38</b>	<b>81.19</b>	<b>117.56</b>	<b>402.72</b>	<b>295.52</b>	<b>-4.91</b>	<b>44.80</b>	<b>242.57</b>	<b>-26.62</b>
	Share in total export	2.16	0.93	1.22	6.05	5.17				
5	<b>Iron And Steel</b>	<b>197.61</b>	<b>1198.34</b>	<b>723.68</b>	<b>426.79</b>	<b>280.46</b>	<b>506.42</b>	<b>-39.61</b>	<b>-41.03</b>	<b>-34.29</b>
	Share in total export	5.00	13.75	7.53	6.41	4.91				
6	<b>Manmade Yarn, Fabrics, Madeups</b>	<b>274.28</b>	<b>543.64</b>	<b>484.85</b>	<b>378.12</b>	<b>264.77</b>	<b>98.21</b>	<b>-10.81</b>	<b>-22.01</b>	<b>-29.98</b>
	Share in total export	6.94	6.24	5.05	5.68	4.63				
7	<b>Indl. Machinery For Dairy Etc.</b>	<b>131.05</b>	<b>239.16</b>	<b>249.29</b>	<b>307.53</b>	<b>195.54</b>	<b>82.50</b>	<b>4.24</b>	<b>23.36</b>	<b>-36.42</b>
	Share in total export	3.32	2.74	2.59	4.62	3.42				
8	<b>Residual Chemical And Allied Prods.</b>	<b>219.20</b>	<b>174.22</b>	<b>205.02</b>	<b>196.34</b>	<b>177.04</b>	<b>-20.52</b>	<b>17.68</b>	<b>-4.23</b>	<b>-9.83</b>
	Share in total export	5.55	2.00	2.13	2.95	3.10				
9	<b>IC Engine And Parts</b>	<b>136.92</b>	<b>188.98</b>	<b>210.52</b>	<b>189.41</b>	<b>173.17</b>	<b>38.02</b>	<b>11.40</b>	<b>-10.03</b>	<b>-8.57</b>
	Share in total export	3.46	2.17	2.19	2.85	3.03				
10	<b>Electric Machinery And Equipments</b>	<b>131.75</b>	<b>139.84</b>	<b>161.61</b>	<b>158.72</b>	<b>167.84</b>	<b>6.14</b>	<b>15.57</b>	<b>-1.79</b>	<b>5.75</b>
	Share in total export	3.33	1.60	1.68	2.38	2.94				
	<b>Total export to TURKEY</b>	<b>3952.89</b>	<b>8716.13</b>	<b>9609.69</b>	<b>6655.84</b>	<b>5716.53</b>	<b>120.50</b>	<b>10.25</b>	<b>-30.74</b>	<b>-14.11</b>

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&amp;S, M/o C&amp;I

**TABLE -5**

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM TURKEY  
2020-21 TO 2024-25 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020- 21	22-23 over 2021- 22	23-24 over 2022- 23	24-25 over 2023- 24
<b>1</b>	<b>Petroleum:Crude</b>	<b>354.02</b>	<b>451.48</b>	<b>1778.82</b>	<b>1801.12</b>	<b>1487.35</b>	<b>27.53</b>	<b>294.00</b>	<b>1.25</b>	<b>-17.42</b>
	Share in total imports	24.13	22.61	42.26	47.64	38.90				
<b>2</b>	<b>Gold</b>		<b>26.12</b>	<b>226.76</b>	<b>104.56</b>	<b>270.83</b>		<b>768.15</b>	<b>-53.89</b>	<b>159.02</b>
	Share in total imports		1.31	5.39	2.77	7.08				
<b>3</b>	<b>Inorganic Chemicals</b>	<b>115.81</b>	<b>76.71</b>	<b>140.53</b>	<b>187.23</b>	<b>202.00</b>	<b>33.76</b>	<b>83.20</b>	<b>33.23</b>	<b>7.89</b>
	Share in total imports	7.89	3.84	3.34	4.95	5.28				
<b>4</b>	<b>Granit, Natrl. Stone And Products</b>	<b>81.20</b>	<b>143.33</b>	<b>185.69</b>	<b>110.78</b>	<b>193.50</b>	<b>76.51</b>	<b>29.55</b>	<b>-40.34</b>	<b>74.67</b>
	Share in total import	5.53	7.18	4.41	2.93	5.06				
<b>5</b>	<b>Aircraft, Spacecraft And Parts</b>	<b>4.63</b>	<b>3.34</b>	<b>9.10</b>	<b>7.50</b>	<b>179.75</b>	<b>-</b>	<b>27.86</b>	<b>172.46</b>	<b>-17.58</b>
	Share in total import	0.32	0.17	0.22	0.20	4.70				
<b>6</b>	<b>Indl. Machinery For Dairy Etc.</b>	<b>90.56</b>	<b>118.51</b>	<b>115.91</b>	<b>130.07</b>	<b>159.74</b>	<b>30.86</b>	<b>-2.19</b>	<b>12.22</b>	<b>22.81</b>
	Share in total import	6.17	5.94	2.75	3.44	4.18				
<b>7</b>	<b>Fresh Fruits</b>	<b>44.51</b>	<b>88.12</b>	<b>88.83</b>	<b>95.76</b>	<b>105.37</b>	<b>97.98</b>	<b>0.81</b>	<b>7.80</b>	<b>10.04</b>
	Share in total import	3.03	4.41	2.11	2.53	2.76				
<b>8</b>	<b>Iron And Steel</b>	<b>60.28</b>	<b>99.69</b>	<b>169.77</b>	<b>121.42</b>	<b>63.65</b>	<b>65.38</b>	<b>70.30</b>	<b>-28.48</b>	<b>-47.58</b>
	Share in total import	4.11	4.99	4.03	3.21	1.66				
<b>9</b>	<b>Pulses</b>	<b>17.02</b>	<b>7.50</b>	<b>4.40</b>	<b>87.19</b>	<b>54.36</b>	<b>-</b>	<b>55.93</b>	<b>-41.33</b>	<b>1881.59</b>
	Share in total import	1.16	0.38	0.10	2.31	1.42				
<b>10</b>	<b>Other Crude Minerals</b>	<b>21.94</b>	<b>30.06</b>	<b>76.30</b>	<b>54.65</b>	<b>51.33</b>	<b>37.01</b>	<b>153.83</b>	<b>-28.37</b>	<b>-6.08</b>
	Share in total import	1.50	1.51	1.81	1.45	1.34				
	<b>Total import from TURKEY</b>	<b>1467.33</b>	<b>1996.75</b>	<b>4208.84</b>	<b>3781.08</b>	<b>3823.83</b>	<b>36.08</b>	<b>110.78</b>	<b>-10.16</b>	<b>1.13</b>

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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