

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&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 the 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 a founding member of the OECD and G20, and an upper-middle-income country. It is the 18th-largest economy by nominal and the 11th-largest economy by PPP-adjusted GDP in the world. According to IMF Executive Board 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 select economic indicators is as under.

TABLE – 1

Turkey: Selected Economic Indicators, 2019–29											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
						Projected.					
Real sector			(Percent)								
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
Fiscal sector			(Percent of GDP)								
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	26.0	25.9	25.6
External sector			<i>(Percent of GDP)</i>								
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
Monetary conditions (Percent)											
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.											

Sources: IMF Executive Board Concludes 2024 Article IV Consultation with Turkey October 11, 2024.

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, five major import partners of Turkey are Russian Federation, China, Special Categories, Germany and Switzerland. Major five exported goods of Turkey are (i) Petroleum oils, etc., (excl. crude); preparation, (ii) Art. Of jewellery and parts thereof,

(iii) Diesel powered trucks, (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 US\$ 169,658 million. It had scaled up to US\$ 261,855 million in 2024. Exports from Turkey had steeply 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. 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 US\$ 219,514 million and had touched US\$ 344,020 million mark 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 had declined 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

**Annual
Compound
Growth
Rate**

11.46

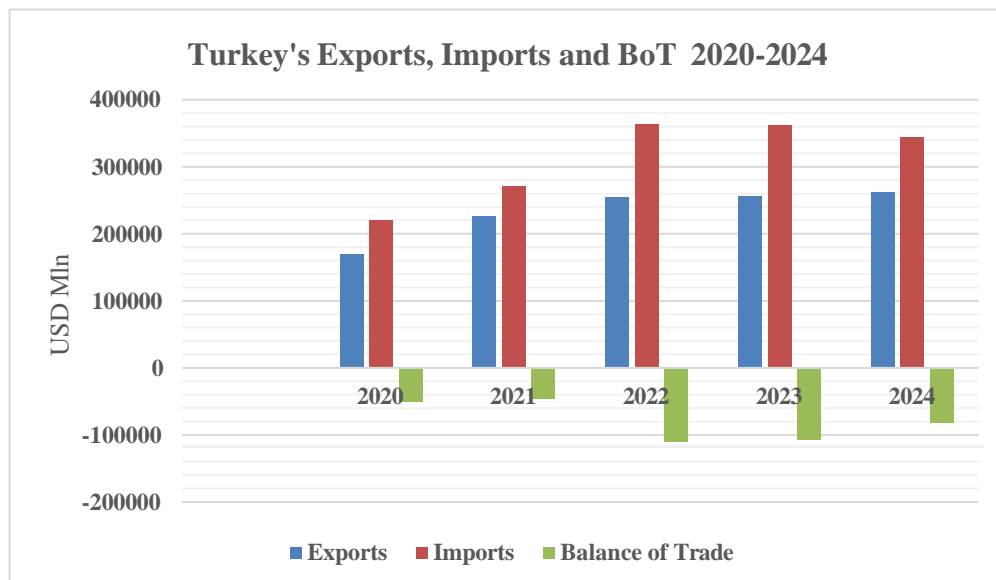
11.89

11.70

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. Bilateral Trade Agreement between India and Türkiye was signed in 1973, followed by an Agreement on setting up an India-Türkiye Joint Commission on Economic and Technical Cooperation (JCETC) in 1983. Under this Agreement, JCETC meetings are held alternately in India and Turkey. Co-chaired by the trade ministers of the two countries, the last (10th) session of JCETC was held in New Delhi in January 2014. Turkey ranked 18th as an export destination of India in FY 2023-24. India had exported to Turkey almost 1.52% of its total export value in FY2023-24. In the same financial year imports from Turkey was 0.56% of India's total import value. Almost 0.93% of India's total international trade value of goods was between India and Turkey as has been recorded in DGCIS data base for FY 2023-24.

8. Indo-Turkey total volume of bilateral trade in FY 2019-20 was of the order of US\$ 7,086.04 million. It had scaled to US\$ 10,436.92 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 10.16%.

9. It is seen from the available figures that between 2019-20 and 2023-24, India has had a surplus Balance of Trade with Turkey. It has been observed that exports from India to Turkey increased steeply by 120.50% in FY2021-22. The annual average compound rate of growth of Exports was 7.58% during the period under review. On the other hand, imports from Turkey to India increased by 110.78% in FY 2022-23 but it was a 36.08% hike just after the pandemic hit year 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 15.61%.

A snapshot of India's merchandise trade statistics with respect to Turkey is presented in Table 3 Figure 2.

TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. TURKEY

FY 2019-2020 to 2023-2024

(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
2019-20	4969.47		2116.56		7086.04		2852.92
2020-21	3952.89	-20.46	1467.33	-30.67	5420.22	-23.51	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	6654.84	-30.74	3781.08	-10.16	10436.92	-24.47	2874.76

Annual

Compound

Growth Rate

7.58

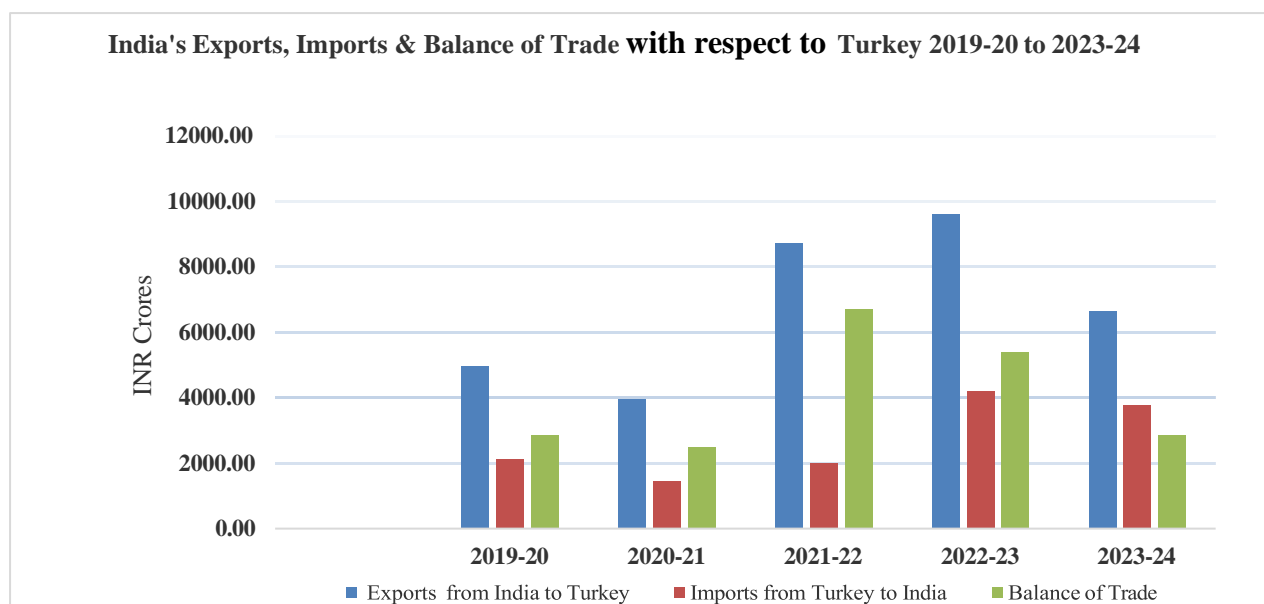
15.61

10.16

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

SOURCE: DGCIS, M/o C&I

Figure 2



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

a. (i) Petroleum Products. (ii) Auto Components/Parts and (iii) Iron and Steel had occupied the top three slots in India's exports to Turkey in FY 2023-24. **Petroleum Products** had occupied 14.34% share of India's total exports to Turkey in FY2023-24.

b. (i) Petroleum Crude (ii) Inorganic Chemicals and (iii) Granite, Natural. Stone and Products were the three major commodities in India's imports list from Turkey in the year 2023-24, India had imported a significant amount of **Petroleum Crude** from Turkey with a share of 47.64% of total imports from Turkey recorded in 2023-24.

TABLE-4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO TURKEY
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth			
		2019-20	2020-21	2021-22	2022-23	2023-24	Rates	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum Products	854.03	299.45	2175.85	3222.01	954.28	-64.94	626.62	48.08	-70.38
	Share in total export	17.19	7.58	24.96	33.53	14.34				
2	Auto Components/Parts	267.34	291.73	350.01	401.83	555.19	9.12	19.98	14.81	38.17
	Share in total export	5.38	7.38	4.02	4.18	8.34				
3	Iron And Steel	138.87	197.61	1198.34	723.68	426.79	42.30	506.42	-39.61	-41.03
	Share in total export	2.79	5.00	13.75	7.53	6.41				
4	Telecom Instruments	169.47	85.38	81.19	117.56	402.72	-49.62	-4.91	44.80	242.57
	Share in total export	3.41	2.16	0.93	1.22	6.05				
5	Manmade Yarn, Fabrics, Made-ups	436.60	274.28	543.64	484.85	378.12	-37.18	98.21	-10.81	-22.01
	Share in total export	8.79	6.94	6.24	5.05	5.68				
6	Indl. Machinery For Dairy Etc.	81.30	131.05	239.16	249.29	307.53	61.19	82.50	4.24	23.36
	Share in total export	1.64	3.32	2.74	2.59	4.62				
7	Residual Chemical and Allied Prods.	127.82	219.20	174.22	205.02	196.34	71.49	-20.52	17.68	-4.23
	Share in total export	2.57	5.55	2.00	2.13	2.95				
8	IC Engine and Parts	156.85	136.92	188.98	210.52	189.41	-12.71	38.02	11.40	-10.03
	Share in total export	3.16	3.46	2.17	2.19	2.85				
9	Dyes	220.84	180.74	253.93	185.28	176.35	-18.16	40.49	-27.04	-4.82
	Share in total export	4.44	4.57	2.91	1.93	2.65				
10	Two And Three Wheelers	2.94	11.59	81.17	65.39	169.19	294.22	600.35	-19.44	158.74
	Share in total export	0.06	0.29	0.93	0.68	2.54				
	Total export to TURKEY	4969.47	3952.89	8716.13	9609.69	6654.84	-20.46	120.50	10.25	-30.75

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

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

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM TURKEY
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth			
		2019-20	2020-21	2021-22	2022-23	2023-24	Rates 20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum: Crude	781.36	354.02	451.48	1778.82	1801.12	-54.69	27.53	294.00	1.25
	Share in total imports	36.92	24.13	22.61	42.26	47.64				
2	Inorganic Chemicals	158.10	115.81	76.71	140.53	187.23	-26.75	-33.76	83.20	33.23
	Share in total imports	7.47	7.89	3.84	3.34	4.95				
3	Granite, Natural Stone and Products	101.83	81.20	143.33	185.69	110.78	-20.26	76.51	29.55	-40.34
	Share in total imports.	4.81	5.53	7.18	4.41	2.93				
4	Vegetable Oils	4.86	39.99	99.87	219.91	147.91	722.84	149.74	120.20	-32.74
	Share in total import	0.23	2.73	5.00	5.22	3.91				
5	Indl. Machinery For Dairy Etc.	102.40	90.56	118.51	115.91	130.07	-11.56	30.86	-2.19	12.22
	Share in total import	4.84	6.17	5.94	2.75	3.44				
6	Iron And Steel	54.81	60.28	99.69	169.77	121.42	9.98	65.38	70.30	-28.48
	Share in total import	2.59	4.11	4.99	4.03	3.21				
7	Gold	25.05		26.12	226.76	104.56	-100.00		768.15	-53.89
	Share in total import	1.18		1.31	5.39	2.77				
8	Fresh Fruits	37.32	44.51	88.12	88.83	95.76	19.27	97.98	0.81	7.80
	Share in total import	1.76	3.03	4.41	2.11	2.53				
9	Electric Machinery and Equipments	88.22	120.86	69.22	178.90	92.17	37.00	-42.73	158.45	-48.48
	Share in total import	4.17	8.24	3.47	4.25	2.44				
10	Pulses	45.47	17.02	7.50	4.40	87.19	-62.57	-55.93	-41.33	1881.59
	Share in total import	2.15	1.16	0.38	0.10	2.31				
	Total import from TURKEY	2116.56	1467.33	1996.75	4208.84	3781.08	-30.67	36.08	110.78	-10.16

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

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

“NOTICE”

Rights of permission for reproduction in part or entirely of these official papers published in the Indian Trade Journal is reserved by the Directorate General of Commercial Intelligence & Statistics, Kolkata – 700 107.