



Country Snapshot

Turkiye

General Information

Capital:	Ankara	Global Competitiveness Index Ranking (Out of 141):	61
Population (m):	87	Corruption Perceptions Index Ranking: (Out of 180):	86
Local Currency:	Turkish lira	Ease of Doing Business Ranking (Out of 190):	33
Exchange Rate (LCU:US\$)	30	Economic Freedom Ranking (Out of 180):	76
Head of State:	President – Recep Tayyip Erdoan	Enabling Trade Ranking (Out of 136):	59

Recent Economic Indicators	2022	2023	2024f	2025f
Real GDP Growth (% change YOY)	5.5	4.0	-0.8	2.2
Unemployment Rate (% yearly)	10.3	10.9	13.5	12.5
Inflation (Av)	72	54	54	27

Principal Export Destinations

Germany 6%, Iraq 6%, USA 5%, UAE 5%, UK 5%

Principal Export Commodities

Cars and vehicle parts, machinery ,precious stones, metals, electrical machinery and mineral fuels

Principal Import Destinations

China 13%, Russia 13%,Germany 10%

Principal Import Commodities

mineral fuels, mechanical appliances, cars & parts, precious stones, metals and electrical machinery

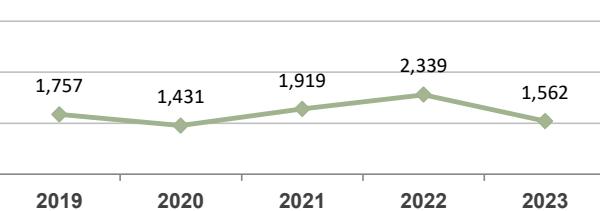
Key View *

- 1 The Turkish economy is heading into a significant recession. Over the coming quarters, we expect tighter credit conditions to weigh on household expenditures- Signs of slowing in retail sales.
- 2 The Central Bank raised its benchmark policy rate to 45% at the January 2024 monetary committee meeting. This is the eighth interest rate hike. Several factors indicate inflation will remain high through 2024 which will prevent the CBRT from implementing a major cutting cycle. We expect that rates can only fall to 35% by end-2024.
- 3 Continued lira weakness. We forecast for the lira per US dollar to trade down from 30 by end-2023 to 35 by end-2024.
- 4 Turkiye's local elections in March 2024 will be the next major test for President Erdoan and his AKP Party. Erdoan is likely to tap strong domestic support for the Palestinians amid the Israel-Hamas war to boost the AKP's popularity, even as his stance strains relations with the West.
- 5 Opportunities: The young and expanding workforce offers a cheaper alternative to aging Eastern European manufacturing bases and could lead to rising investment. Turkiye stands to benefit as part of Mainland China's Belt and Road Initiative.

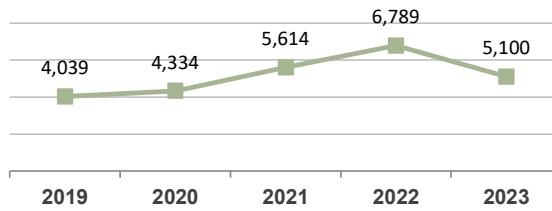
Israel's Goods Trade Relations with Turkiye

	M\$	% Change
Export	1,562	-33%
Import	5,100	-25%
Total trade (export + import)	6,662	
Trade Balance (export - import)	-3,538	

Israel's Export to Turkiye



Israel's Import from Turkiye



The Main Sectors of Goods Trade between Israel and Turkiye

Export Sector	M\$	% Share	% Change	Import Sector	M\$	% Share	% Change
Chemical Products	454	31%	-55%	Iron & Steel	630	13%	-43%
Plastics	192	13%	-13%	Vehicles	443	9%	6%
Iron & Steel	136	9%	-22%	Plastics	353	7%	-21%
Organic Chemicals	122	8%	7%	Electrical Machinery	345	7%	-2%
Mechanical Appliances	113	8%	14%	Cement Materials	340	7%	-7%

* Jan 2024

** Jan-Nov 2023