

Sectoral Indicators and Developments

January 2024

JCR Eurasia Rating

Economic and Analytical
Research



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Energy

ENERGY | Electricity

Türkiye completed 2023 with 308.56 TWh electricity production.

In December 2023, electricity generation increased by 1.2% compared to the previous month. Türkiye, which produced 26.37 TWh of electricity in the last month of the year, completed 2023 with a total production of 308.56 TWh. While the electricity generated from renewable sources increased by 52.0%, electricity produced from fossil fuels declined by 20.1%. Inversely, Türkiye's total installed capacity, which was 103,809 MW at the end of December 2022, reached 106,347 MW as of December 2023.

In December 2023 compared to the same month of previous year

Electricity Generation



up by **1.2%**

26.37 TWh

Türkiye's Total Installed Capacity



in December 2023 realized as

106,347 MW

Electricity Generation from Renewable Sources



up by **52.0%**

11.70 TWh

Installed Capacity of Renewable Energy



in December 2023 realized as

58,911 MW

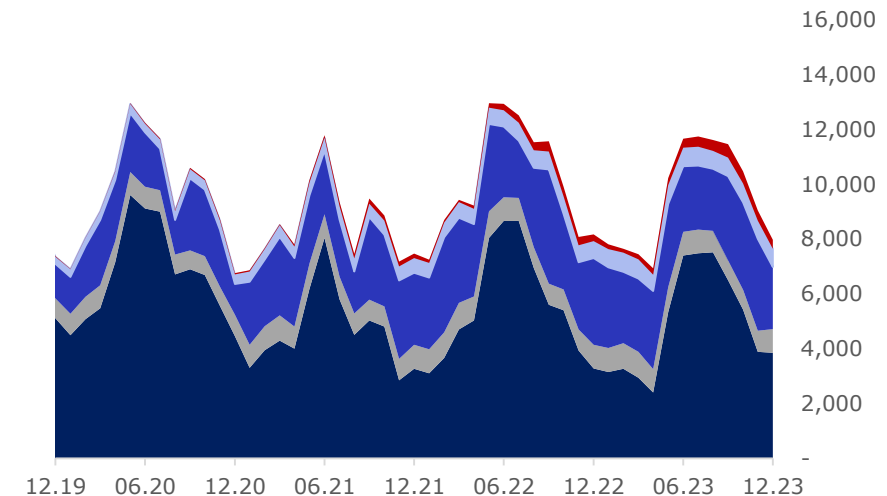
Monthly Average PTF

Previous Month | Aralık 2023

2,067 | **2,075**

Electricity Production By Renewable Sources (GWh)

•Hydropower •Geothermal •Wind •Biomass •Solar



Source: EXIST, TETC, JCR-ER

ENERGY | Electricity | Production

55.6% of the total electricity production was generated from fossil fuels whilst renewable sources comprised of remaining 44.4% in December 2023. In the same period of the previous year, this ratio was 29.5% to 70.5% in favor of fossil fuels.

By sources, coal ranked as first in electricity production with a share of 38.0% and followed by hydropower with a share of 25.7% in December 2023. Wind increased its share to 11.4% in the mentioned period.

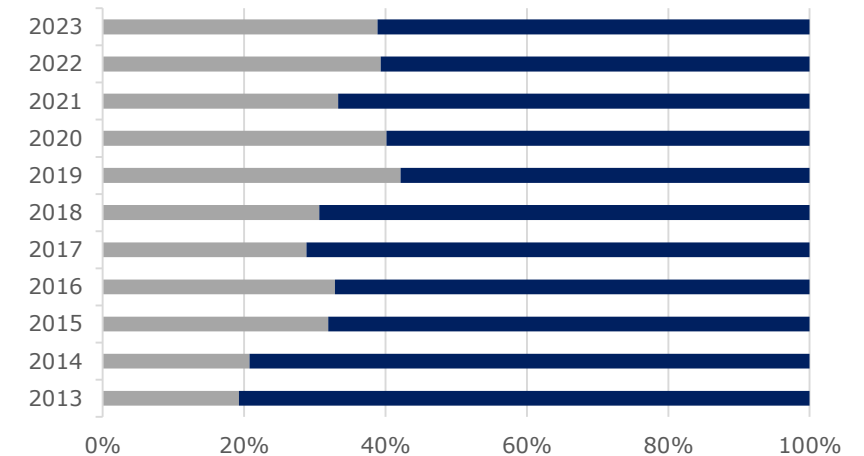
In December 2023, compared to the same period in the previous year, there was a 16.0% increase in the electricity generated from wind, while the electricity generated from solar energy witnessed a 41.0% increase.

Türkiye's Electricity Production (TWh)

Year/Period	Renewable	Fossil & Other	Total
2013	23.50	98.44	121.94
2014	51.55	196.48	248.03
2015	82.60	176.15	258.74
2016	88.65	181.26	269.91
2017	83.71	206.83	290.54
2018	89.43	202.43	291.86
2019	122.34	168.13	290.47
2020	116.82	174.10	290.93
2021	104.75	209.93	314.68
2022	122.41	188.88	311.29
2023	120.01	188.54	308.55

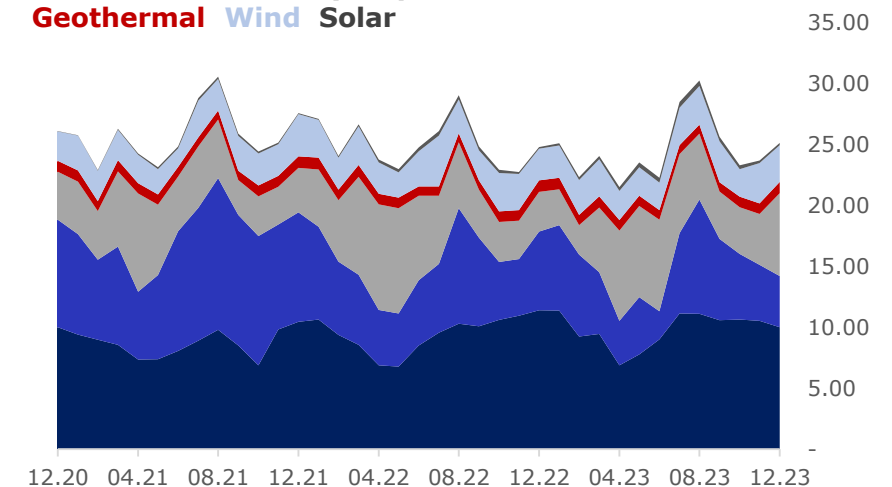
Electricity Production By Sources

Renewable Sources
Fossil Sources and Other



Electricity Production By Sources (TWh)

Coal Natural Gas Hydropower
Geothermal Wind Solar



ENERGY | Electricity | Consumption

In December 2023, the electricity consumption rose by 3.2% and 7.1% on monthly and yearly basis, respectively, reaching a total of **27,495 GWh**. Thus; there was a total of

- 26.37 TWh production • 27.50 TWh consumption

Monthly Energy Consumption (GWh)

Yil	1	2	3	4	5	6	7	8	9	10	11	12
2016	23,731	21,153	22,161	21,302	21,900	23,051	24,370	26,269	21,233	21,850	22,683	25,161
2017	25,103	22,452	23,586	21,953	22,854	22,304	27,776	27,522	23,808	23,162	23,861	25,594
2018	25,929	22,844	24,145	22,786	23,195	23,005	28,266	26,668	24,212	22,667	23,336	25,148
2019	25,369	22,630	23,794	22,611	23,587	23,035	28,003	26,422	24,126	22,890	23,085	25,518
2020	26,174	24,225	23,740	19,131	19,642	22,526	27,241	27,356	26,225	24,029	24,405	26,325
2021	26,895	24,194	27,605	25,618	24,779	26,438	30,243	32,128	27,328	26,109	26,536	28,922
2022	28,323	25,441	28,257	25,729	25,189	27,088	28,612	31,475	27,187	25,111	24,743	26,653
2023	27,317	24,181	26,192	23,746	26,032	24,840	31,412	33,108	28,255	25,753	25,680	27,495

Consumption Share (October, %)

- Industry
- Public and Private Services & Other
- Household
- Agricultural Activities
- Lighting



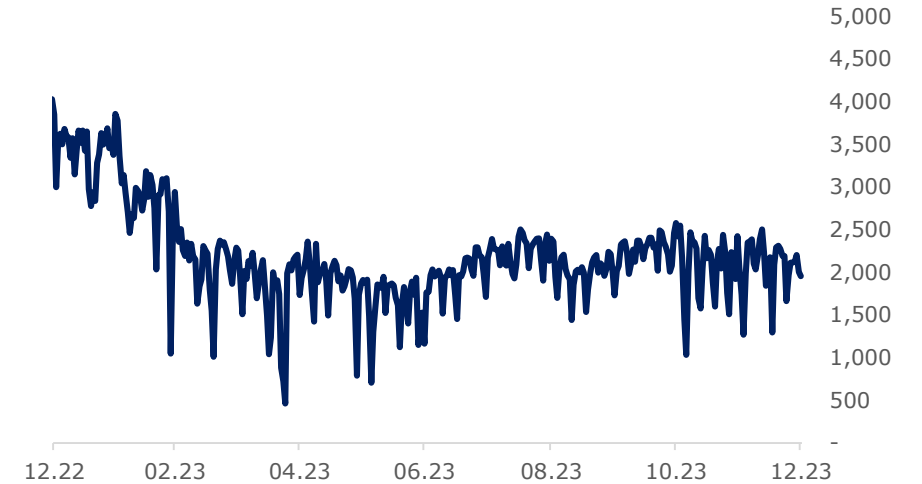
ENERGY | Electricity | Prices

The average Market Clearing Price for 2023 was 2,190.79 TL/MWh

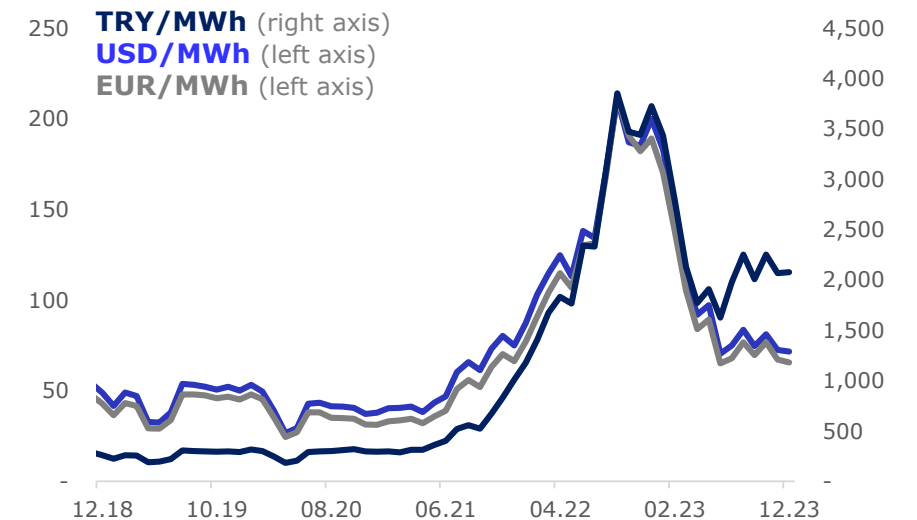
In December, PTF increased by 0.4% compared to the previous month and decreased by 44.3% compared to the same month of the previous year. In December, daily average PTF was realized between 1,269 TRY/MWh and 2,501 TRY/MWh. The average daily PTF in December was 2,075 TRY/MWh. The hourly data indicates that PTF was realized at the level of 2,700 TRY/MWh, which is the determined maximum price limit, for a total of 78 hours in December.

In USD terms, the average PTF was 72.4 USD/MWh in November and 71.5 USD/MWh in December. Compared to the same period of the previous year, PTF was 64.2% lower in USD terms.

Daily PTF (TRY/MWh)



Monthly PTF



ENERGY | Oil

In ten-month period of 2023, domestic sales of total oil products increased by 8.4% on an annual basis and amounted to 26.39 million tons. Diesel imports rose by 37.5% and reached 10.66 thousand tons.

Thus, in January-October 2023 period, Türkiye produced a total of 29.87 million tons and imported a total of 25.53 million tons of petroleum product.

In October 2023 compared to the same month of previous year

Production of Refined Oil Products



up by **7.32%**
3.45 million tons

Total Export



up by **9.63%**
1.29 million tons

Crude Oil Import



up by **0.96%**
4.24 million tons

Crude Oil Import

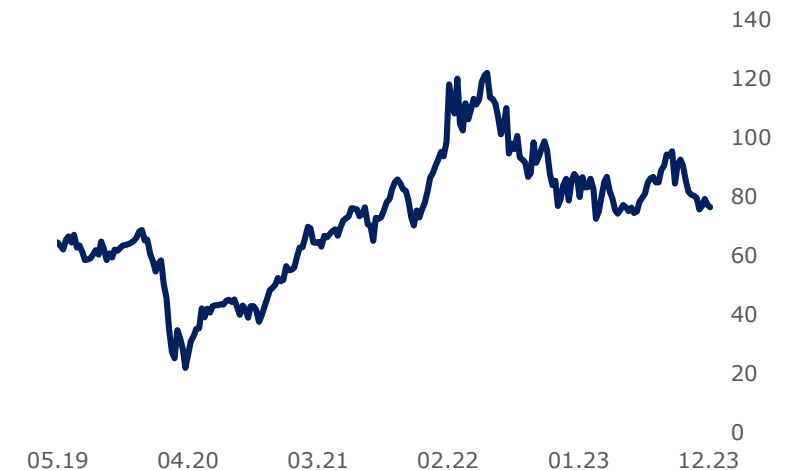


up by **2.04%**
2.94 million tons

Monthly Average Dealer Sales Price – December 2023

Fuel Type	Price
Unleaded Gasoline 95 Octane (lt)	33.97747
Unleaded Gasoline 95 Octane (Other, lt)	34.01183
Diesel (lt)	36.42270
Diesel (Other, lt)	36.46895
Heating Oil (Sulfur content between 0.1%- 1.0%, kg)	26.76192
Fuel Oil (Sulfur content between 0.1%- 1.0%, kg)	23.31884
High Sulphur Fuel Oil (Sulfur content >%1, kg)	18.68749
Kerosene (lt)	33.23330

Brent Oil (USD/Barrell)

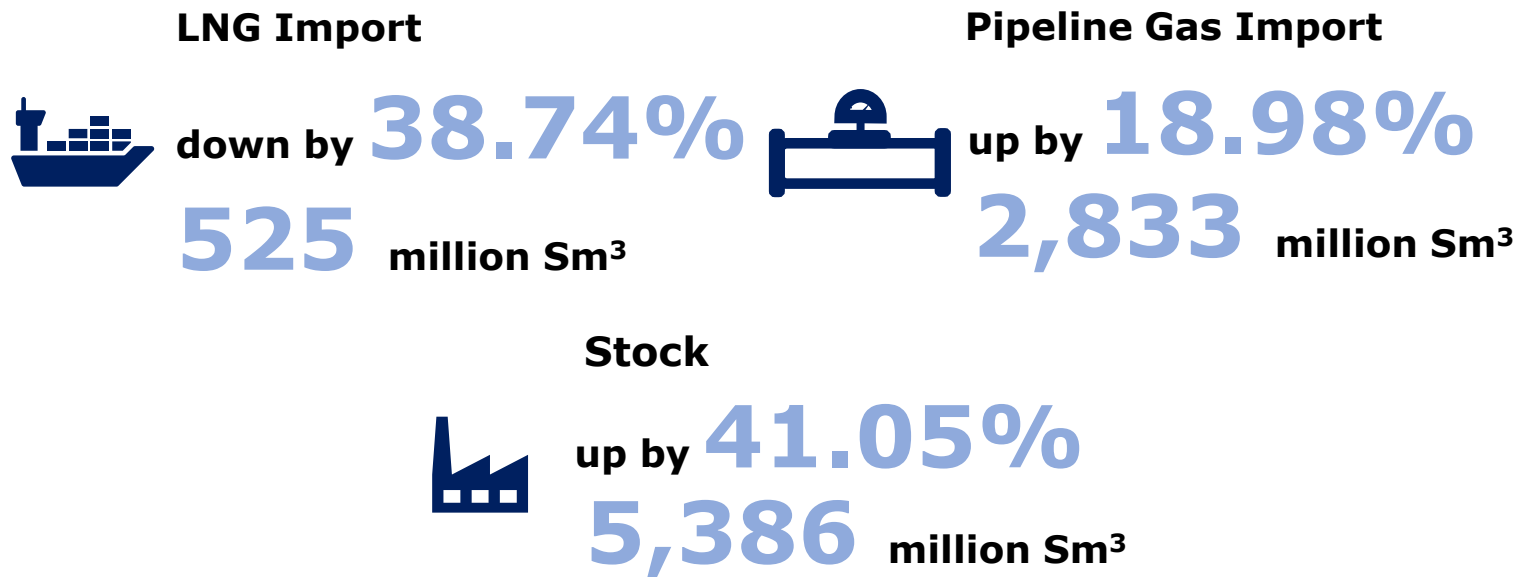


ENERGY | Natural Gas

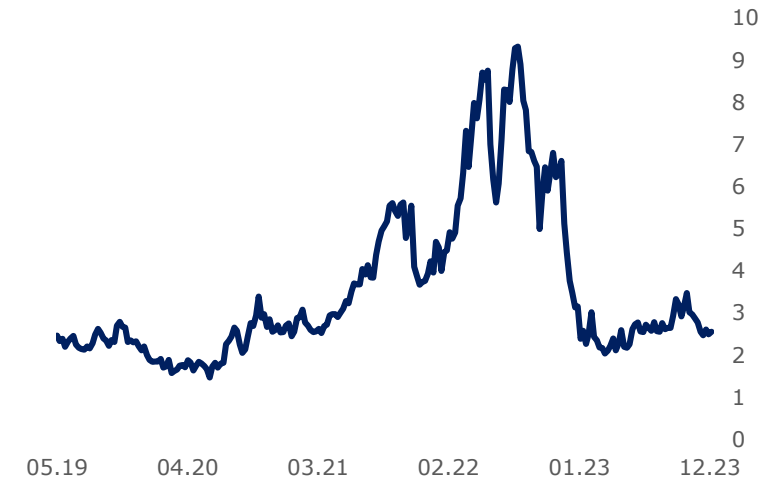
EMRA did not change the forward natural gas market unit transaction and annual participation fees for 2024.

In the January-October period of 2023, Türkiye's total natural gas import decreased by 10.60% compared to the same period last year, reaching 39.99 billion Sm³, and its consumption decreased by 6.29%, reaching 41.32 billion Sm³. On the other hand, 555.16 million Sm³ natural gas was produced in the same period. The weighted average sales price of LNG throughout Türkiye was 17.27 TL/m³ in November.

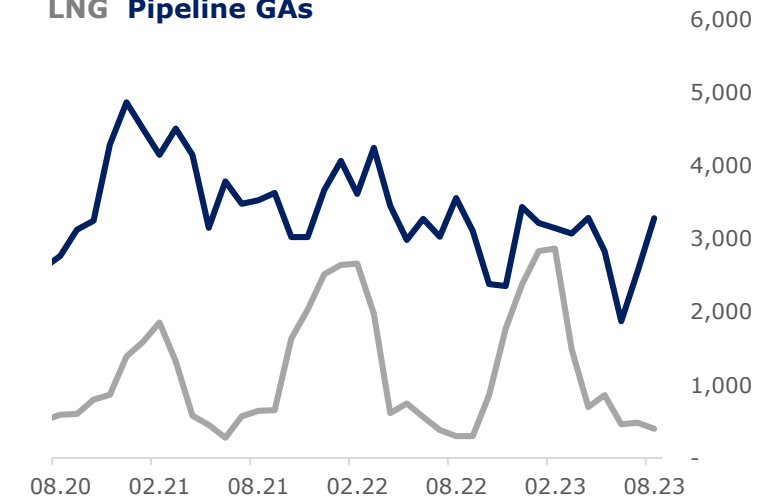
In October 2023 compared to the same month of the previous year



Natural Gas Prices (USD/0000 MMBTU)



Import of Türkiye (million Sm³)
 LNG Pipeline Gas





Metal

METAL | Production

Financing and cost pressure continues in the Turkish steel industry.

In November 2023, Türkiye's crude steel production was **3.0 million tons** with a 25.4% up compared to the same month of the previous year, while total crude steel production in the first 11 months of 2023 decreased by 6.1% and regressed to **30.5 million tons**. In November, exports of steel products amounted to **0.8 million tons** with a decline of 3.0% YoY while it was shrunk by 19.8% on USD basis and realized as **USD 617.9 million**. Besides, Turkish steel imports was up by 12.4% in yearly basis to **1.2 million tons** in terms of volume and was down by 0.1% to **USD 1.0 billion** in terms of value.



In terms of quantity
Crude Steel Production
in **November**
up by **25.4%**



Base Metal Industrial
Production Index
in **October**
up by **3.4%**

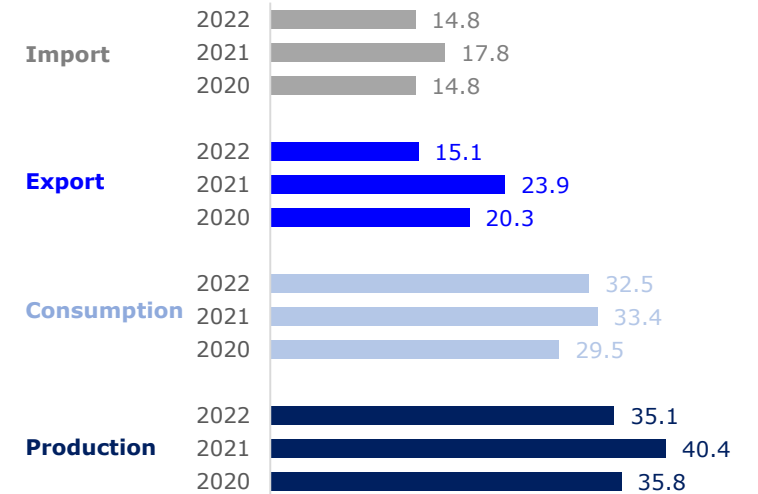


Finished Steel
Product Export
in **November**
down by
3.0%

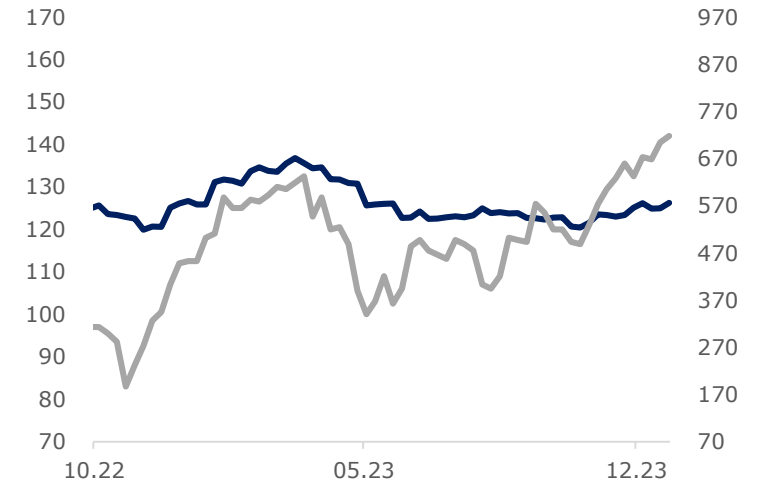


Base Metal Capacity
Utilization Rate
in **December**
realized as
76.49%

Turkish Steel Industry (million ton)



Iron Ore (USD/ton, left axis) China HRC (USD/ton, right axis)



*Changes are expressed on an annual basis.

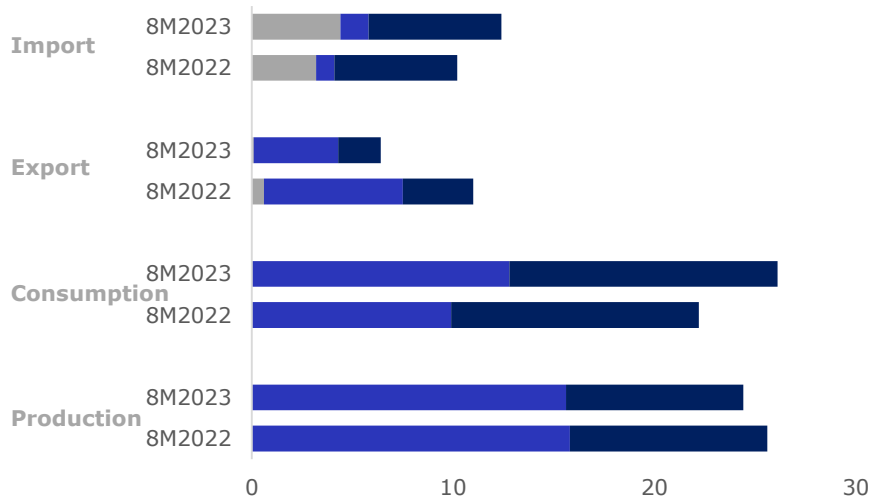
METAL | Production

In the first 8 months of 2023 flat steel production in Türkiye declined by 4.7% from 25.6 million tons to 24.4 million tons while long steel production regressed from 15.8 million tons to 15.6 million tons in the mentioned period. Despite the decrease in production, steel consumption increased from 22.2 million tons to 26.1 million tons. The increase in demand was met by imports.

In the mentioned period steel exports of Türkiye decreased from 11.0 million tons to 6.4 million tons, while imports increased from 10.2 million tons to 12.4 million tons.

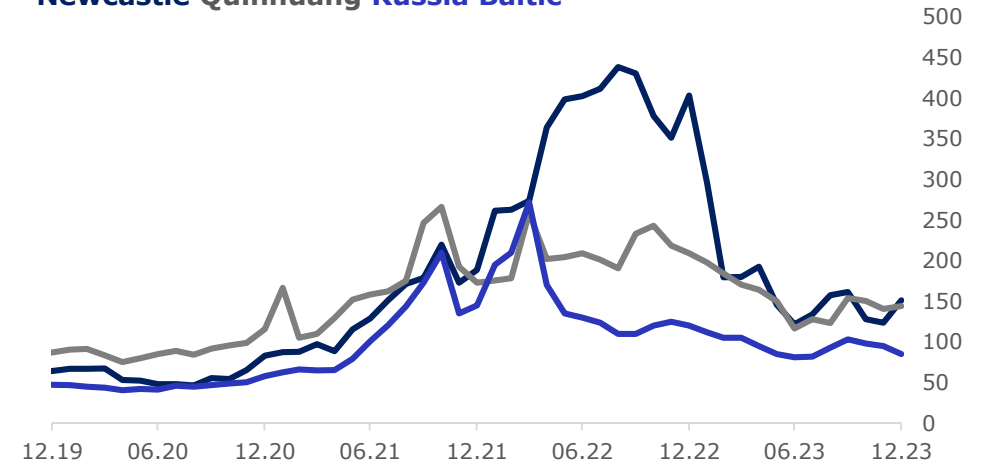
Turkish Steel Industry (million ton)

Long Flat Semi-Finished(Slab+Billet)



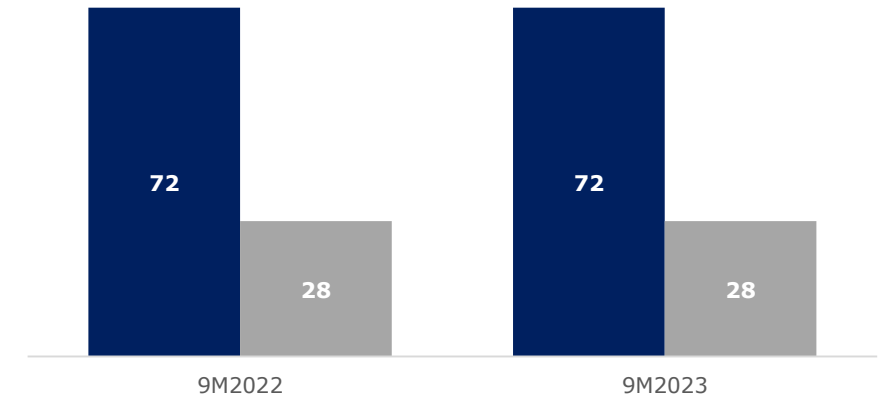
Coal Prices (USD/ton)

Newcastle Quinhuang Russia Baltic



Distribution of Production by Facility (%)

Electric Arc Furnace Integrated Blast Furnace



METAL | Sales

The weak outlook in main export markets continues to be a risk factor in global steel trade.

Weak global demand conditions and protectionist measures implemented by the EU and the USA caused a contraction in steel trade. On the other hand, efforts by the EU and the USA to impede free trade through restrictions on scrap exports exacerbated the challenges within the sector.



Domestic Turnover Index
in **October**

up by **45.0%**



Non-domestic Turnover Index
in **October**

up by **42.5%**



Base Metal Export
in **November**

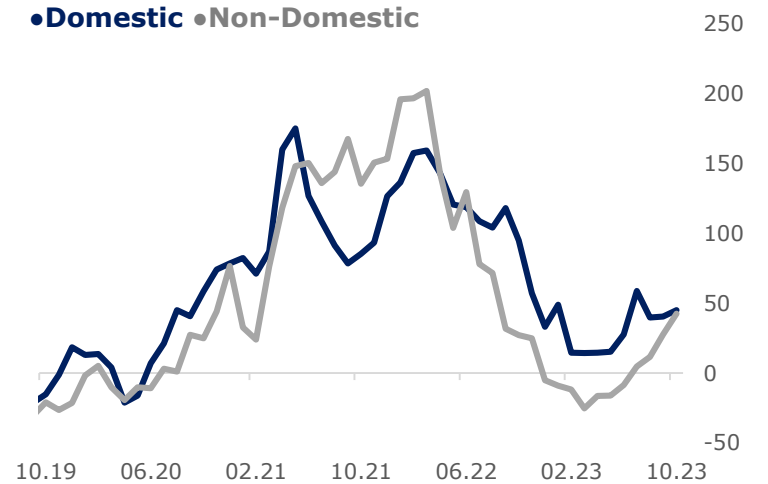
up by **24.3%**



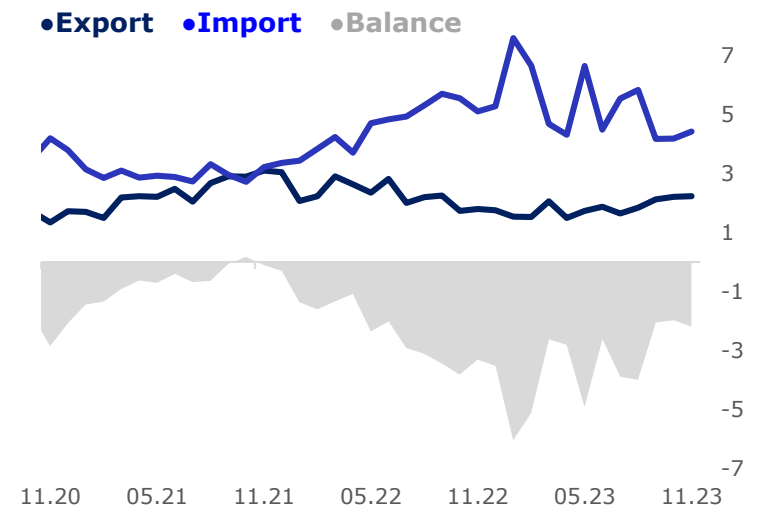
Base Metal Import
in **November**

down by
13.3%

Base Metal Industry Turnover Index
(Calendar Adjusted, Annual % Change, 2015=100)



Base Metal Industry Trade (billion TRY)



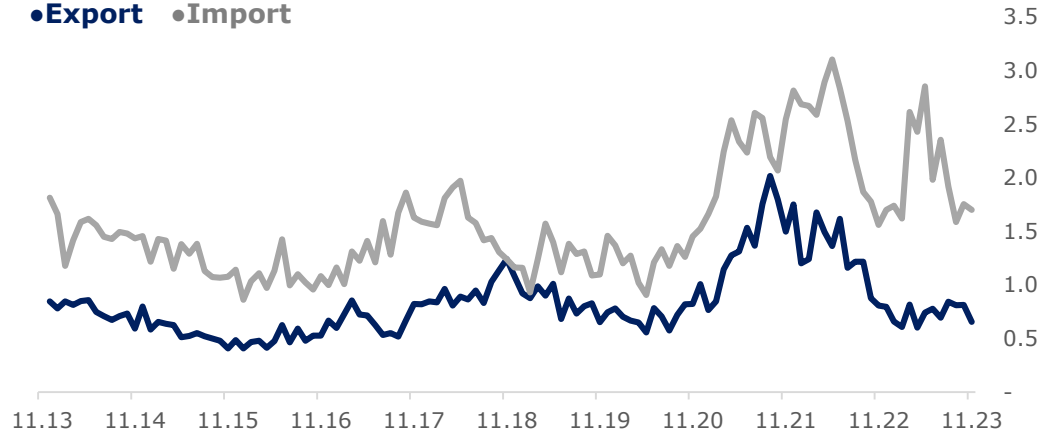
*Changes are expressed on an annual basis.

METAL | Foreign Trade

Türkiye's Foreign Trade by Chapter

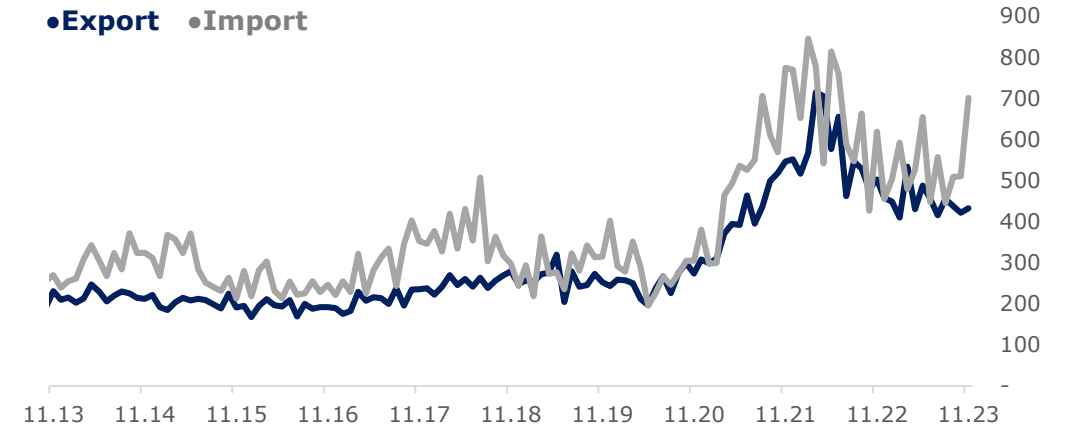
Iron and Steel (billion USD)

●Export ●Import



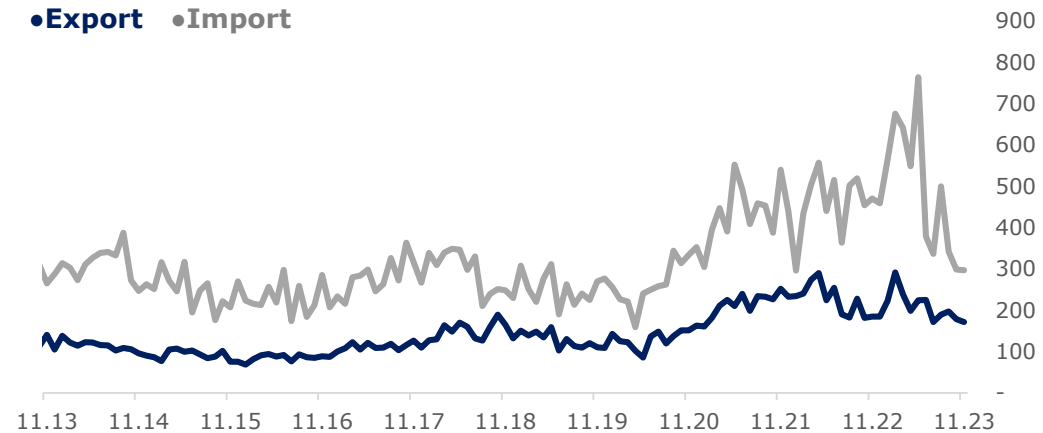
Aluminum Articles thereof (million USD)

●Export ●Import



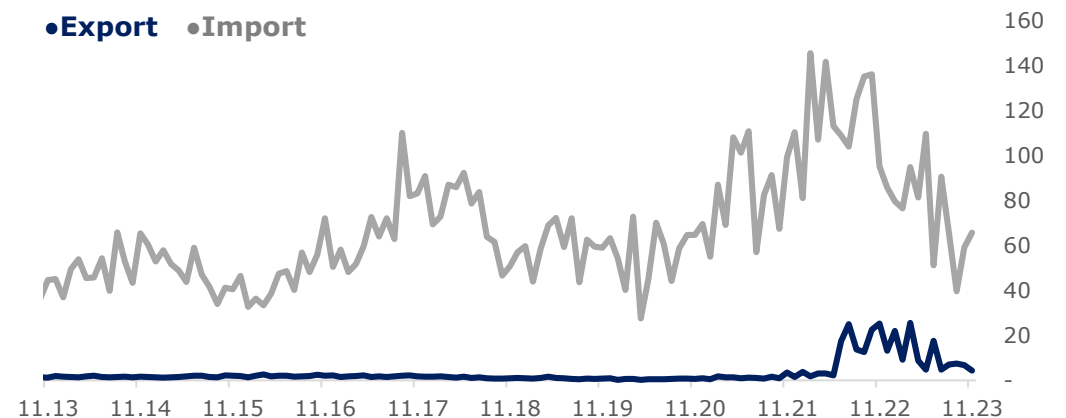
Aluminum Articles thereof (million USD)

●Export ●Import



Zinc; articles n.e.s. (million USD)

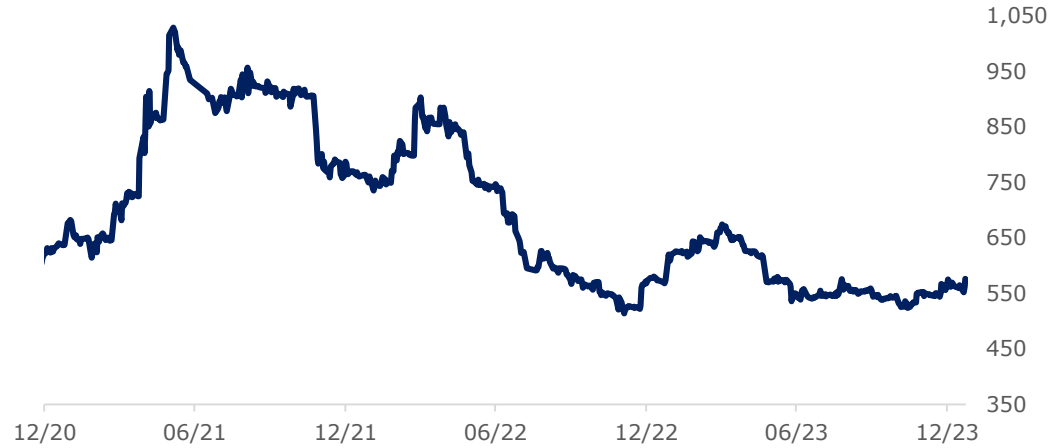
●Export ●Import



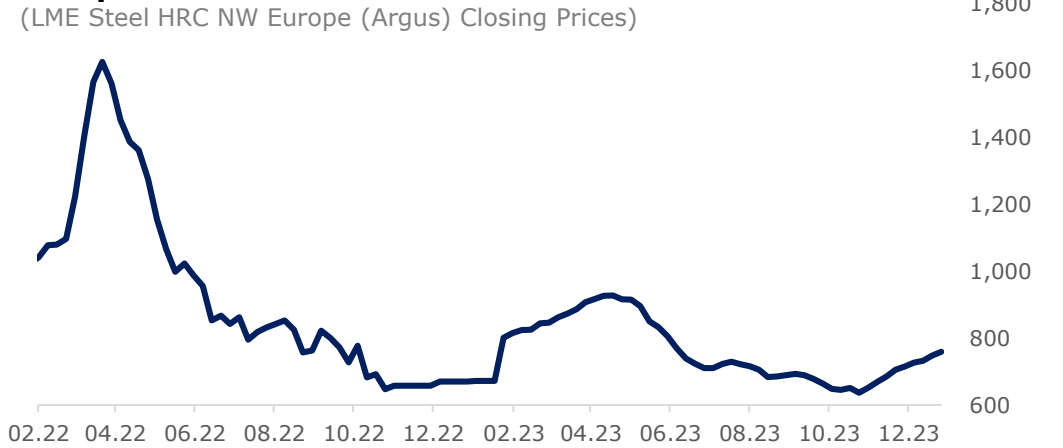
METAL | Prices

Changes in supply and demand conditions determine base metal prices.

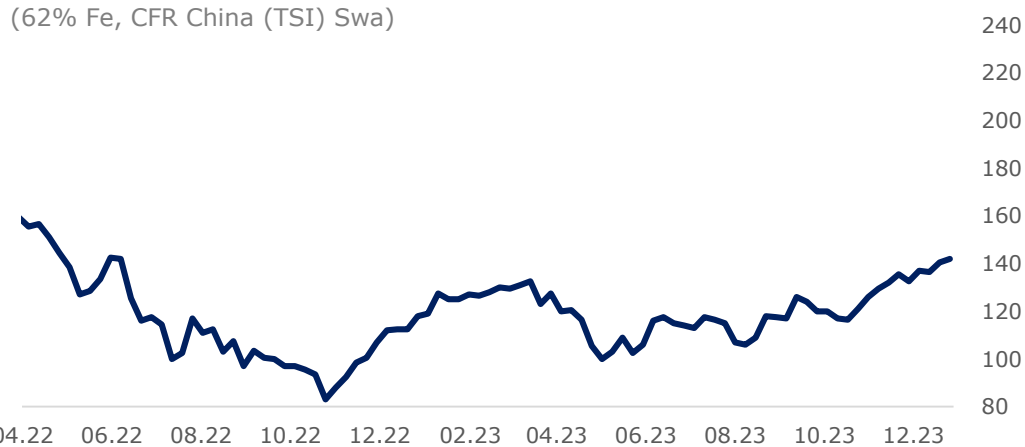
China HRC



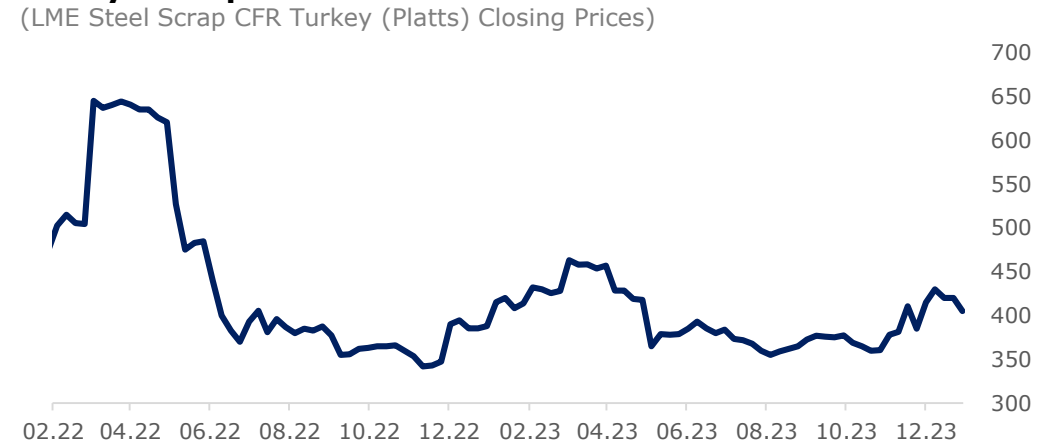
Europe HRC



Iron Ore Prices



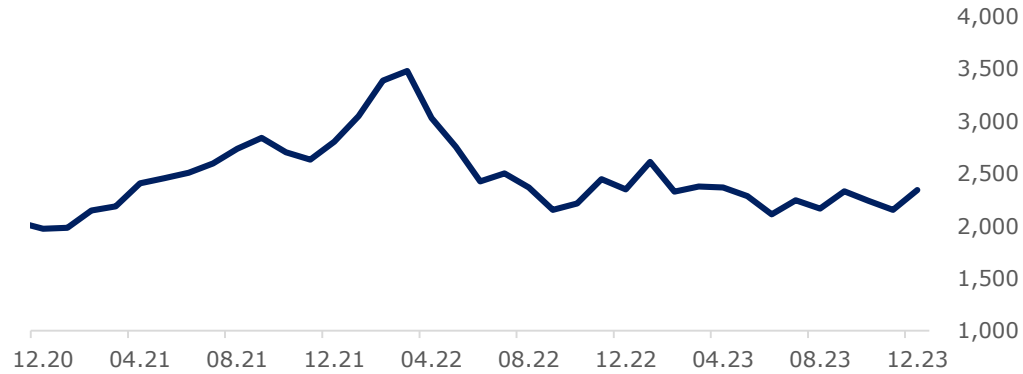
Türkiye Scrap Steel Prices



METAL | Prices

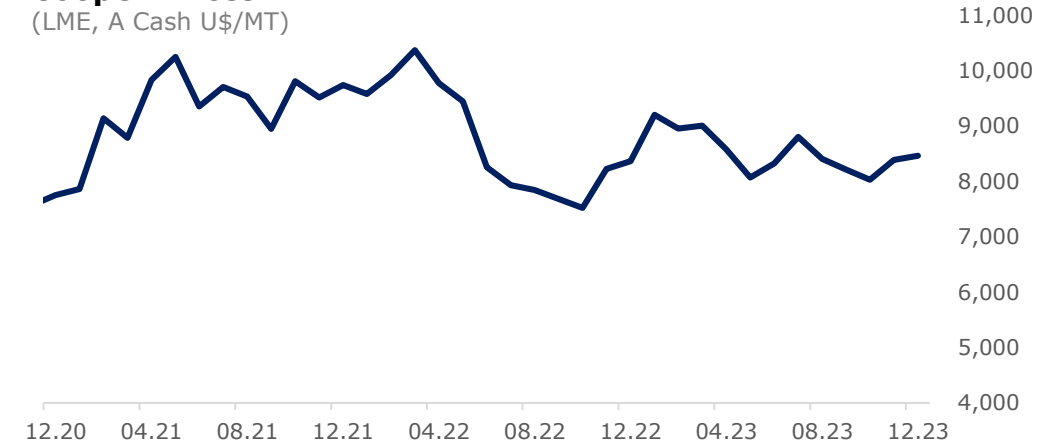
Aluminum Prices

(LME, 99.7% Cash USD/MT)



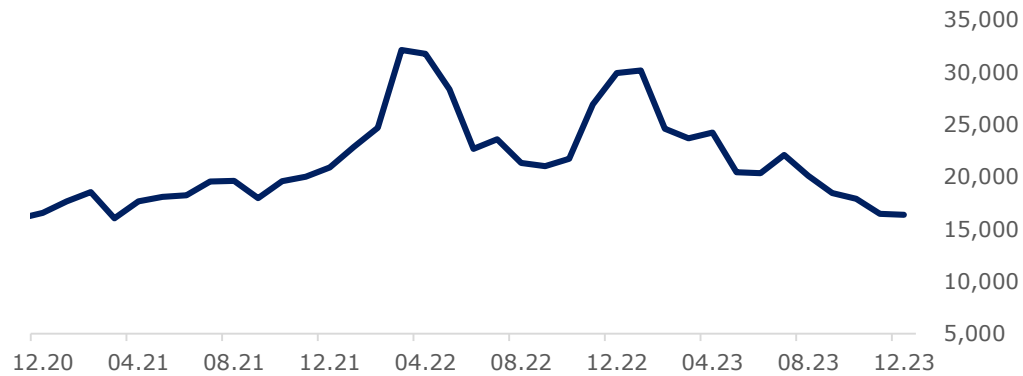
Cooper Prices

(LME, A Cash U\$/MT)



Nickel Prices

(LME, Cash USD/MT)



Zinc Prices

(LME, SHG 99.995% Cash USD/MT)





Automotive

AUTOMOTIVE | Production

In the first 11 months of 2023, total automotive production and export increased by 11.5% 5.5%, respectively.

In the January-November period of 2023, total automotive production rose by 11.5% and automobile production by 22.2% compared to the same period of the previous year. In 11 month period, total production was **1,349,075 units** and automobile production was at the level of **876,250 units**.

In November 2023 compared to the same month of previous year

Passenger Vehicle Production



up by **15.38%**
realized as **96,922**



Commercial Vehicle Production

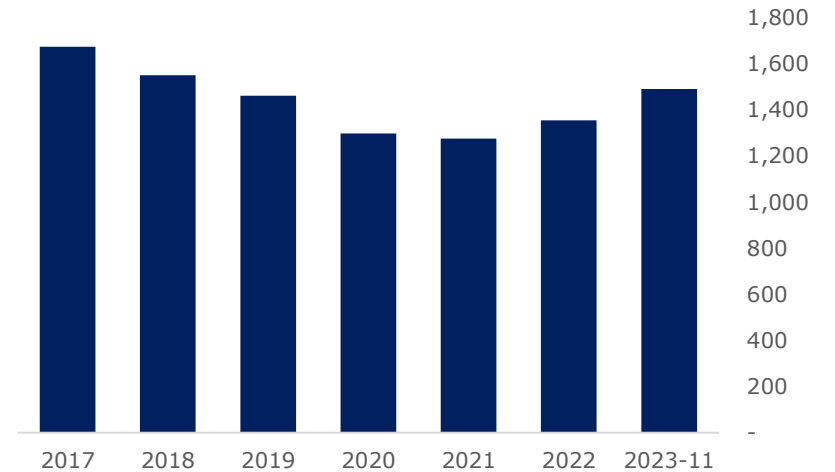
down by **15.48%**
realized as **41,813**

Total Automotive Production



up by **3.95%**
realized as **138,735**

Total Automotive Production (thousand)

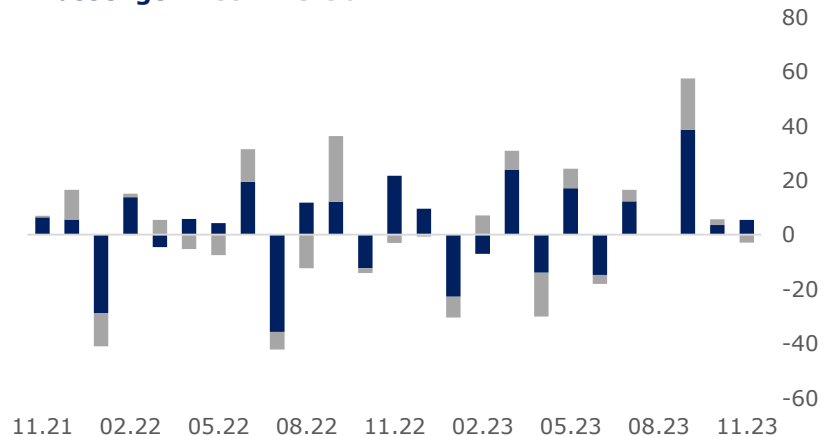


*Data for 2023 is total of the last 12 months.

Türkiye Automotive Production Trend

(Monthly change, thousand units)

● Passenger ● Commercial

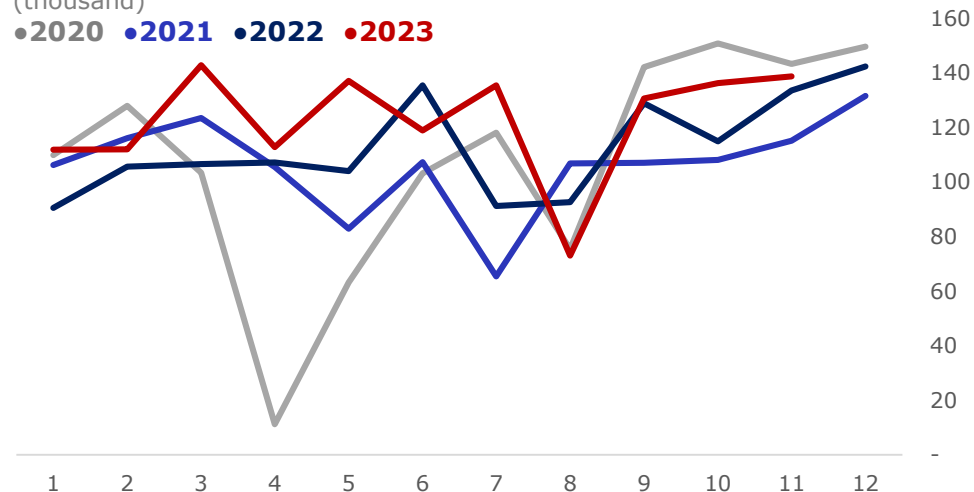


AUTOMOTIVE | Production

Passenger & Light Commercial Vehicle Production

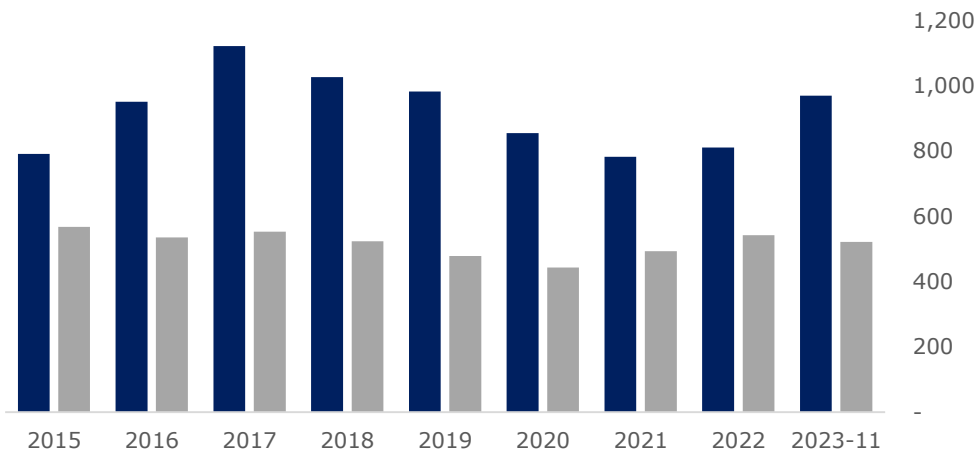
(thousand)

●2020 ●2021 ●2022 ●2023



Total Automotive Production* (thousand)

●Passenger ●Commercial



*Data for 2023 is total of the last 12 months.

Total Automotive Production

Year/Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
2013	83,808	93,519	99,819	93,308	96,918	101,975	111,992	47,288	111,516	88,579	113,646	83,166	1,125,534
2014	75,042	83,140	97,308	98,991	101,495	108,101	98,146	57,278	116,281	100,977	113,093	120,593	1,170,445
2015	102,574	109,012	123,119	120,388	88,048	124,451	112,728	76,977	116,534	132,977	126,236	125,752	1,358,796
2016	97,644	120,691	127,791	123,205	125,342	131,268	110,851	78,087	118,341	145,866	150,681	156,115	1,485,882
2017	128,121	138,369	157,729	149,020	154,758	141,161	148,974	71,463	134,247	156,303	163,460	130,079	1,673,684
2018	124,347	141,372	159,464	138,504	148,304	131,194	143,729	47,175	132,931	131,231	128,875	122,993	1,550,119
2019	109,871	119,473	132,189	127,913	136,517	109,116	133,883	52,242	136,236	132,155	135,951	135,775	1,461,321
2020	109,783	127,882	103,350	11,164	63,145	103,173	118,030	75,341	142,129	150,746	143,264	149,614	1,297,621
2021	106,176	116,088	123,427	105,496	82,860	107,219	65,418	106,748	107,029	108,078	115,078	131,557	1,275,174
2022	90,523	105,646	106,575	107,180	103,984	135,424	91,211	92,625	128,872	114,835	133,469	142,314	1,352,658
2023	111,837	111,959	142,799	112,733	137,012	118,898	135,360	73,020	130,545	136,177	138,735		1,349,075

AUTOMOTIVE | Sales

2023 was the year of records for Automotive Sector.


In December 2023, the Turkish passenger and light commercial vehicle total market went up by 37.7% compared to the same month of the previous year, amounting to **158,653 units**. In the January-December period of 2023, it increased by 57.4% compared to the same period of the previous year, amounting to **1,232,635 units**. The automobile and light commercial vehicle market increased by 55.7% compared to the average sales in December for the last 10 years.

In December 2023 compared to the same month of previous year


Passenger Vehicle Sales

 up by **45.68%**
realized as
126,416


Electric Vehicle Sales

 up by **659.1%**
realized as
12,078

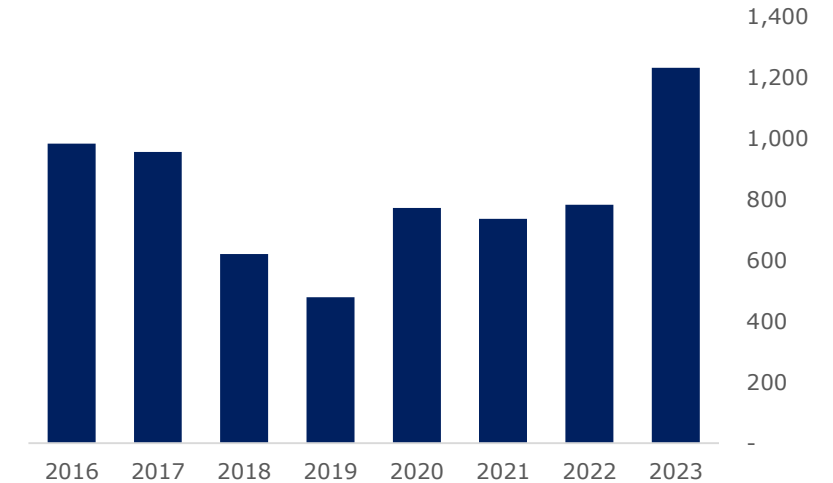
Light Commercial Vehicle Sales

 up by **13.33%**
realized as
32,237

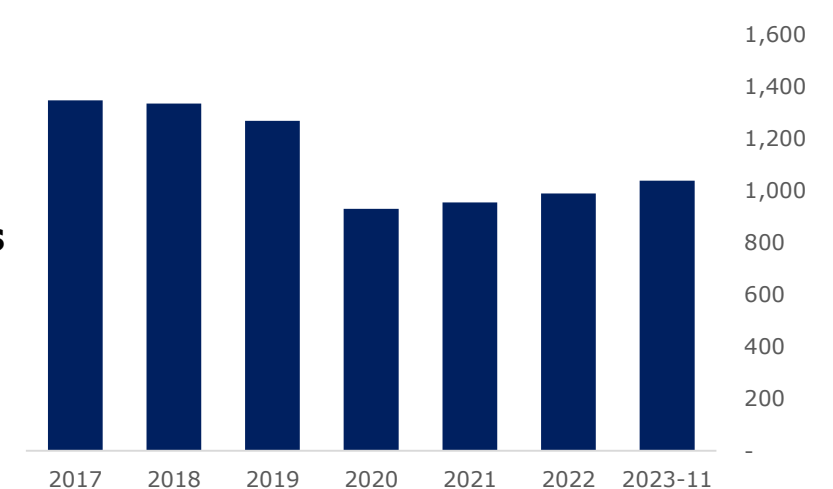
Total Automotive Exports in November

 up by **3.90%**
realized as
94,860

Total Automotive Sales (thousand)



Total Automotive Export* (thousand)



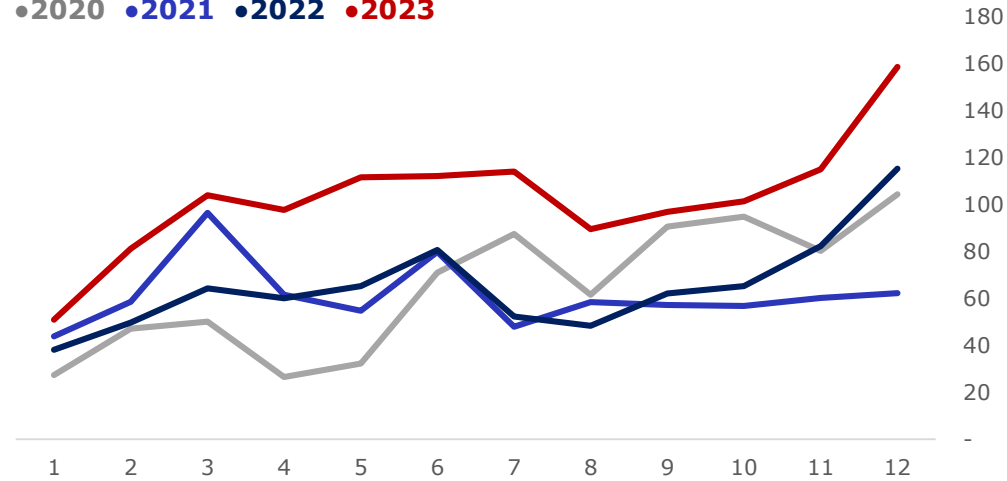
*Data for 2023 is total of the last 12 months.

*Automotive export figures include cars, commercial vehicles and tractors.

AUTOMOTIVE | Sales

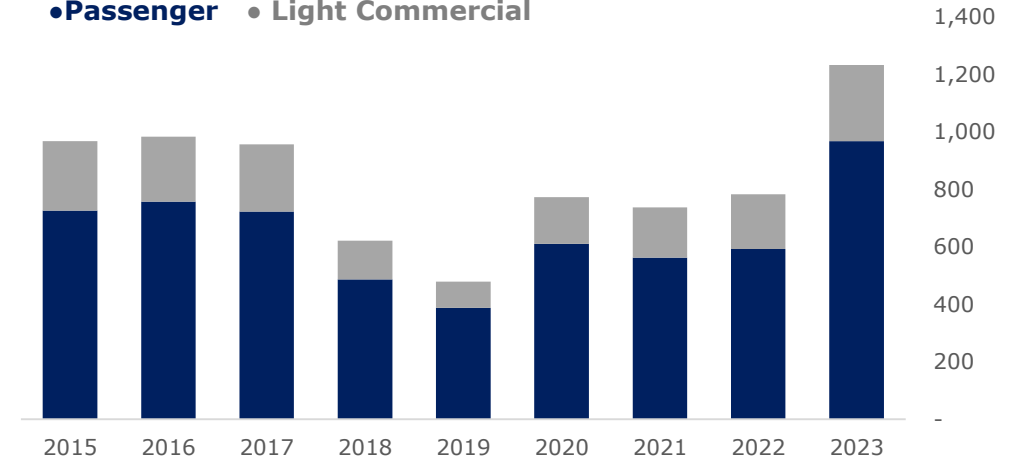
Monthly Passenger Vehicle Sales (thousand)

●2020 ●2021 ●2022 ●2023



Automotive Sales (thousand)

●Passenger ●Light Commercial



*Data for 2023 is total of the last 12 months.

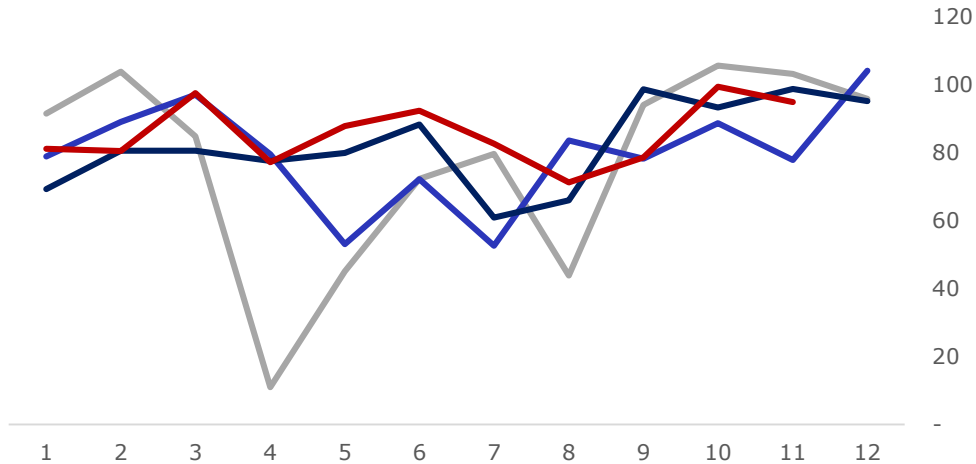
Total Automotive Sales

Year/Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
2013	35,523	48,307	68,774	73,575	81,468	74,096	71,596	65,043	67,963	58,014	79,301	129,718	853,378
2014	32,670	35,021	47,581	53,305	58,121	60,163	59,907	60,199	66,531	66,573	80,621	146,989	767,681
2015	34,615	55,331	83,302	91,602	81,542	86,158	83,836	82,577	64,025	64,255	84,601	156,173	968,017
2016	32,713	52,825	82,948	84,887	93,904	91,540	58,533	71,556	67,593	83,000	122,309	141,912	983,720
2017	35,323	46,965	73,802	75,988	85,422	83,658	82,297	72,536	71,352	91,752	100,859	136,240	956,194
2018	35,076	47,009	76,345	71,126	72,755	51,037	52,734	34,346	23,028	21,571	58,204	77,706	620,937
2019	14,373	24,875	49,221	30,971	33,016	42,688	17,927	26,246	41,992	49,075	58,176	90,500	479,060
2020	27,273	47,122	50,008	26,457	32,235	70,973	87,401	61,533	90,619	94,733	80,141	104,293	772,788
2021	43,728	58,504	96,428	61,488	54,734	79,819	47,849	58,454	57,141	56,746	60,216	62,243	737,350
2022	38,131	49,652	64,267	60,035	65,167	80,652	52,206	48,336	62,084	65,222	82,311	115,220	783,283
2023	50,894	81,148	103,929	97,679	111,556	112,163	113,959	89,454	96,793	101,367	115,040	158,653	1,232,635

AUTOMOTIVE | Export

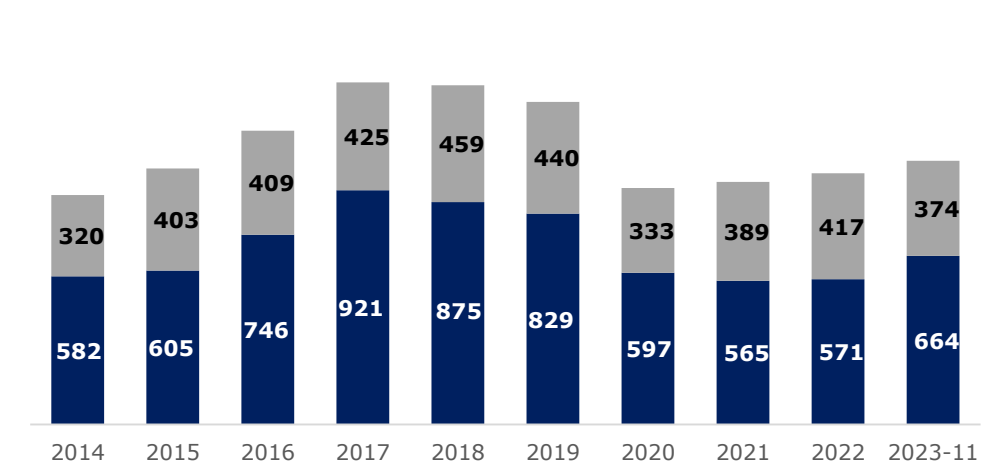
Total Automotive Export (thousand)

●2020 ●2021 ●2022 ●2023



Automotive Export (thousand)

●Passenger ●Commercial & Tractor



*Data for 2023 is total of the last 12 months.

Total Automotive Export (Unit, Including Tractor)

Year/Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
2020	91,430	103,796	84,765	10,997	45,086	72,230	79,564	43,801	93,976	105,523	103,142	95,723	930,033
2021	78,793	88,977	96,945	79,469	53,078	72,147	52,558	83,488	78,174	88,591	77,823	104,010	954,053
2022	69,261	80,488	80,497	77,535	79,884	88,239	60,843	65,945	98,598	93,194	98,711	95,080	988,275
2023	81,099	80,462	97,497	77,092	87,716	92,255	82,546	71,171	78,580	99,310	94,860		942,588

AUTOMOTIVE | Recent Developments

The market share of electric automobiles is steadily growing.

The Communiqué on the import of electric vehicles of the Ministry of Commerce was published in the Official Gazette. Electric cars that are not imported from the European Union and Free Trade Agreement signed countries will be sought a “receipt of permission”. For each brand to be imported, the Turkish Call Center service with at least 40 personnel established in Türkiye will be provided and the manufacturer will have to be an authorized representative in the country.

Motor Vehicle Tax was increased by 58.46% for 2024 at the revaluation rate.

As a result of monetary tightening moves taken by the CBRT, the rise in vehicle loan interest rates may suppress domestic demand.

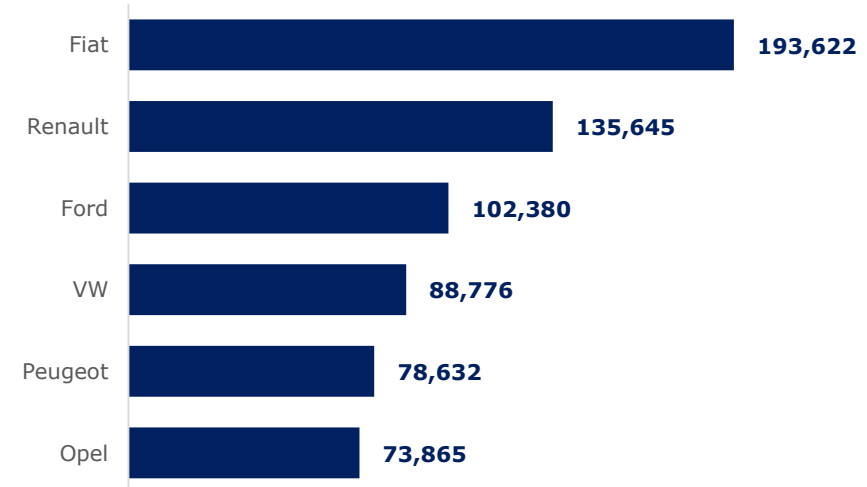
Engine Capacity	Engine Type	January-December 2022		January-December 2023		Change (%)
		Unit	Share (%)	Unit	Share (%)	
<= 160 kW	Electric	2,965	0.5	52,244	5.4	1,662.0
> 160 kW	Electric	4,768	0.8	19,935	2.1	318.1
Total		7,733	1.3	72,179	7.5	833.4

January-October Automobile market by engine type;

- Gasoline automobile sales with **646,285** units, **66.8%** share,
- Diesel automobile sales with **133,374** units, **13.8%** share,
- Hybrid automobile sales with **104,804** units, **10.8%** share,
- LPG automobile sales with **10,599** units, **1.1%** share,
- Electric automobile sales with **72,179** units, share **7.5%**.

Top Selling Brans

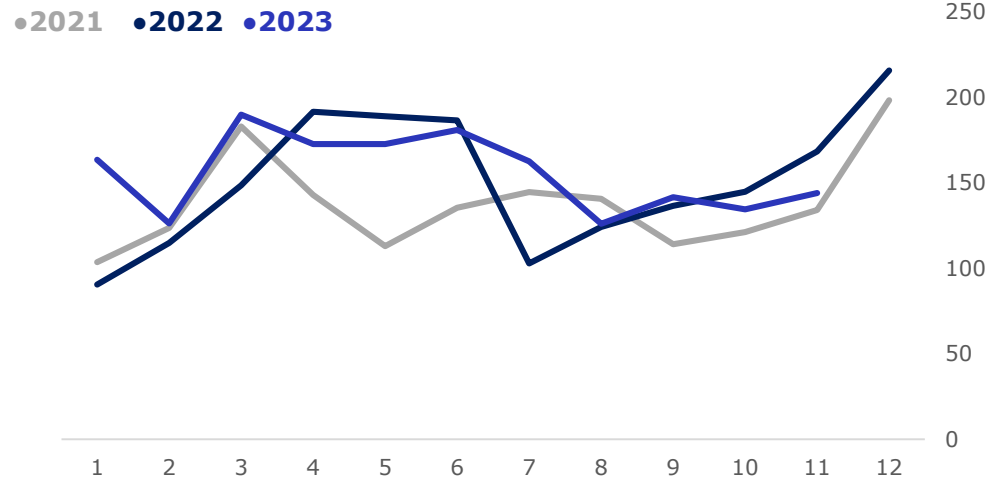
January-December 2023



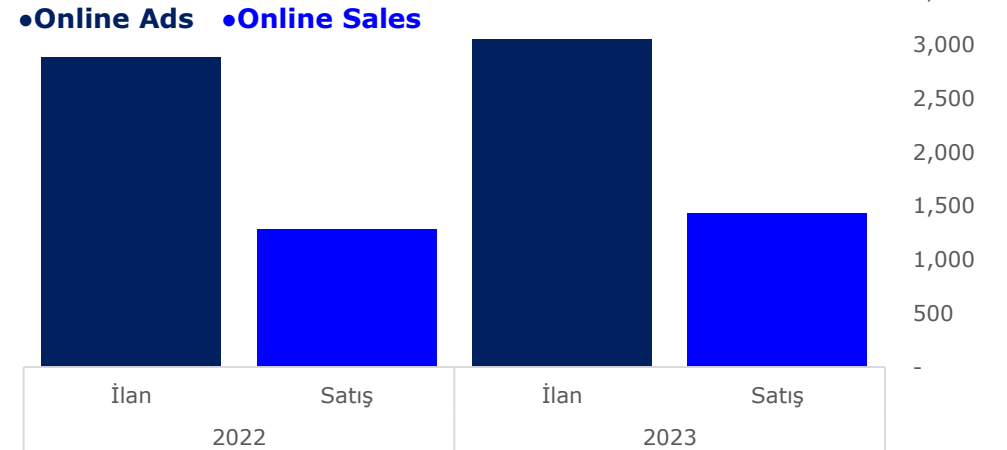
AUTOMOTIVE | Used Car Market

According to data from INDICATA, in November 2023, a total of **331,906 unit** vehicles were advertised in the online used passenger and commercial vehicle market in Türkiye. Thus, it is observed that the number of advertisements decreased by 8% compared to November of the previous year and 43% of those vehicles were sold. **143,905** sales were realized in November 2023, down by 14% compared to the same period of the previous year. While Renault was the best-selling brand in the used car market with 17,745 units in November, Fiat also became the fastest-selling brand with an average sales velocity of 46 days. It is observed that vehicle retail prices decreased by 3.5% on average in November compared to October.

Online Passenger and Commercial Vehicle Sales in Used



Online Used Vehicle Market, 2023 January-September (thousand)





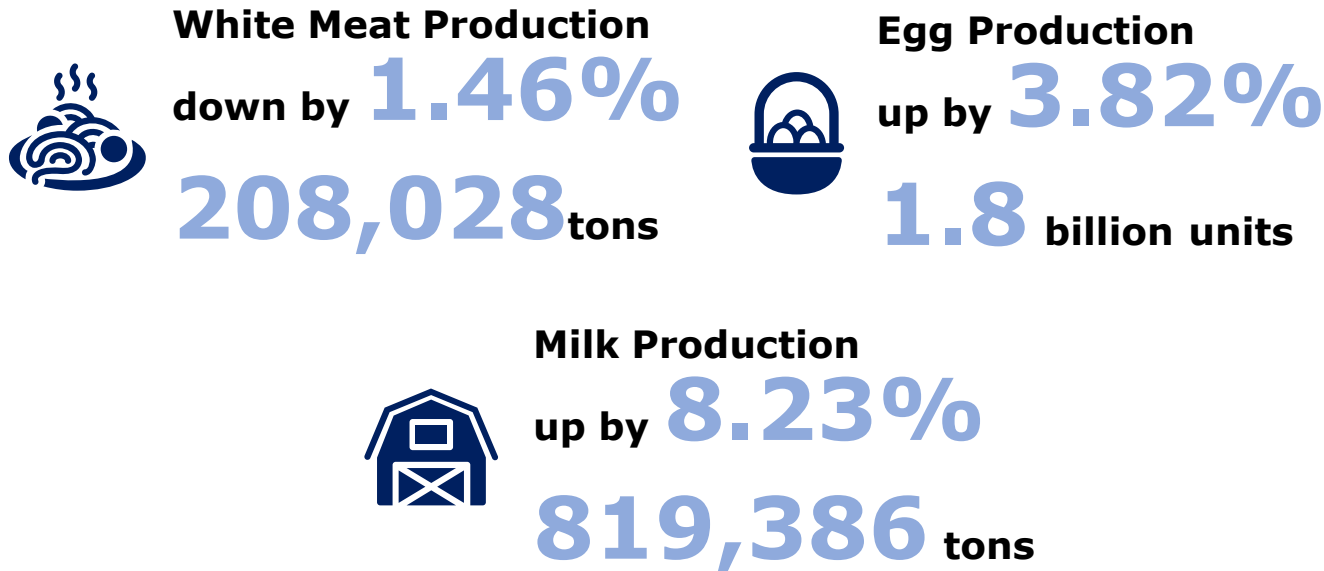
Food

FOOD | Production

As of 2022, arable land has fallen by 9.7% in the last 20 years and recorded as 23.9 million hectare. In the same period while the number of farmers has diminished by 43.1% , the number of farmers insured was 453 thousand 288.

In October 2023, white meat and egg production increased by 1.5%, 3.8% compared to the same period of the previous year, respectively. In addition, milk production also increased by 8.2%. In October, total white meat production for the last 12 months was 2.4 million tons and egg production was 20 billion 458 million units. Milk production was 10.0 million tons.

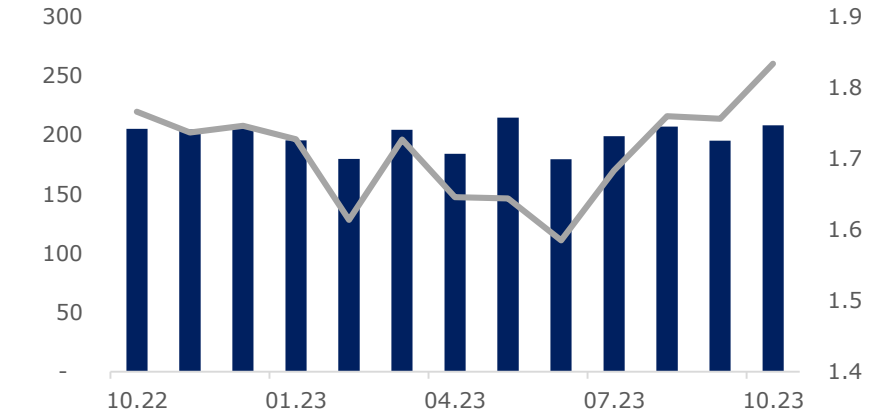
In October 2023 compared to the same month of previous year



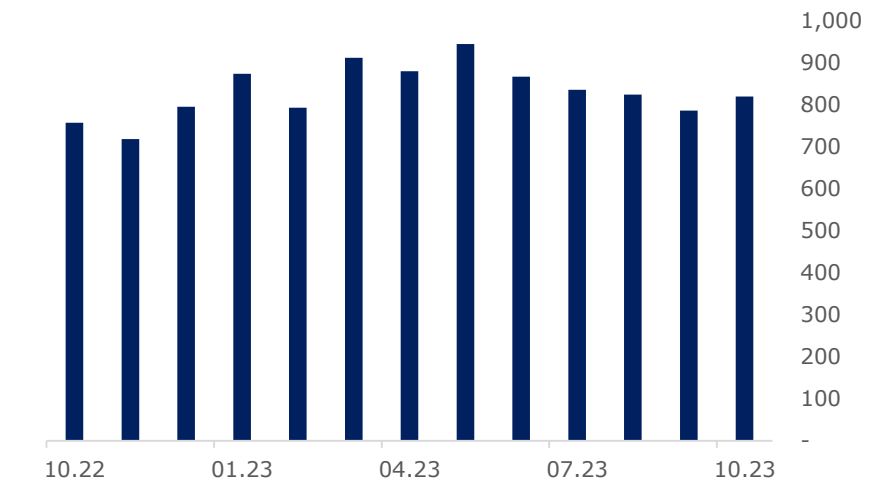
White Meat and Egg Production

White Meat (thousand ton)

Chicken Egg (billion units, right axis)



Milk Production (thousand tons)

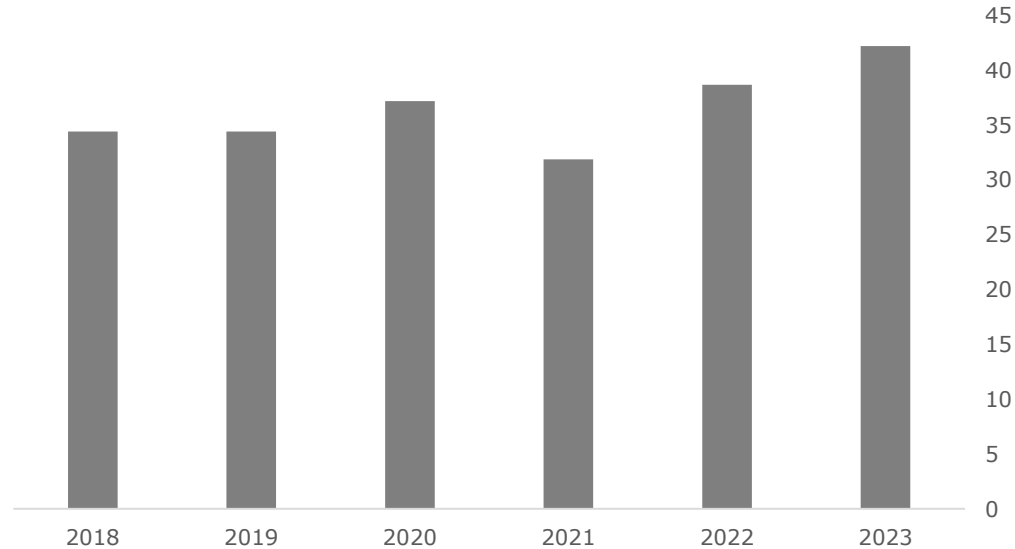


FOOD | Production and Self-Sufficiency

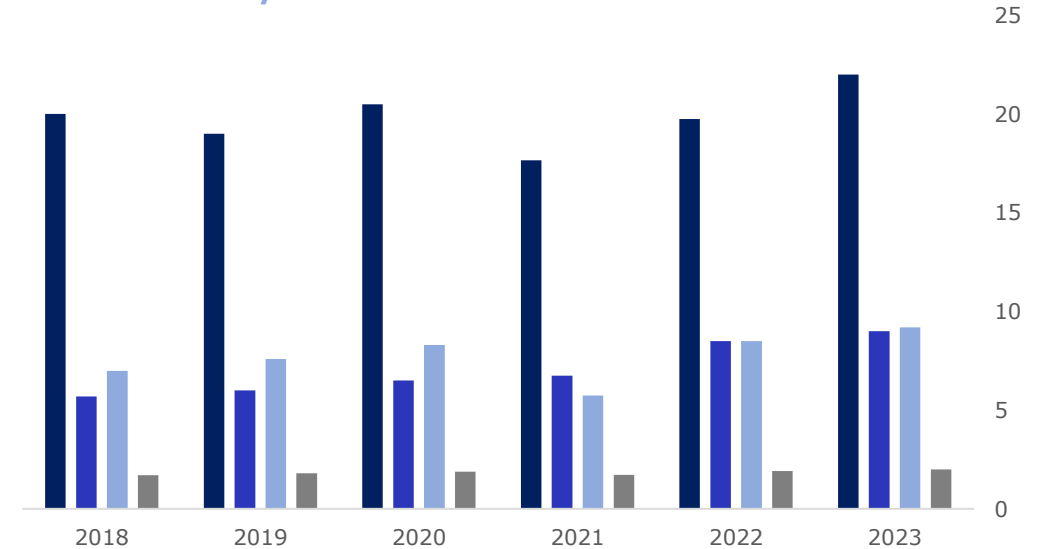
According to 2023 TURKSTAT crop production data, cereal production in Türkiye increased by 9.1% in 2023 compared to the previous year and reach a total level of 42.2 million tons.

Wheat production, which had the highest share in cereal production with 52.1% as of 2023, grew by 11.4%, amounting to 22.0 million tons in parallel with the increase in cereal production. In addition, production of barley, which is one of the most important inputs of the feed industry, showed a 8.2% rise in 2023, totaling 9.2 million tons.

Cereal Production (million ton)



Cereal Production (million ton)
Wheat Corn Barley Other

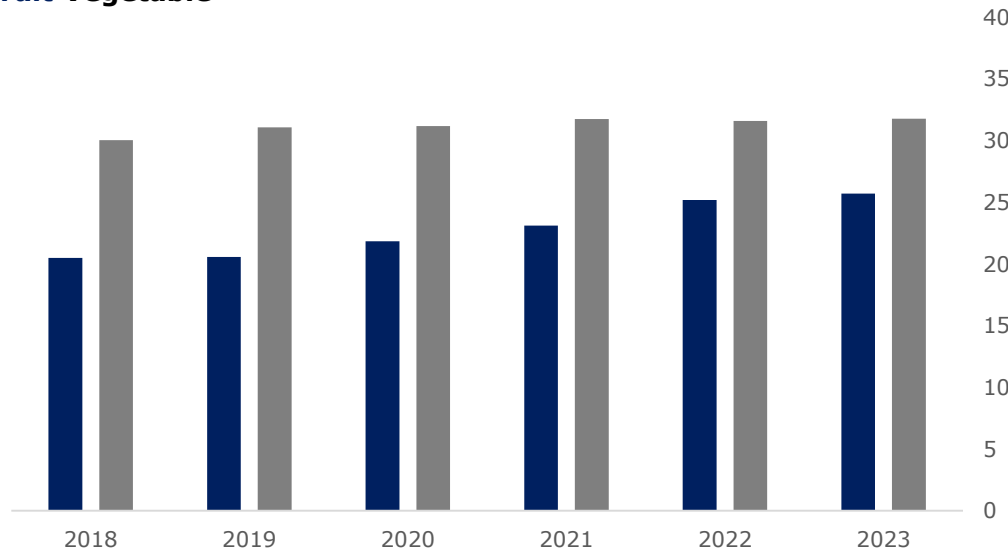


FOOD | Production and Self-Sufficiency

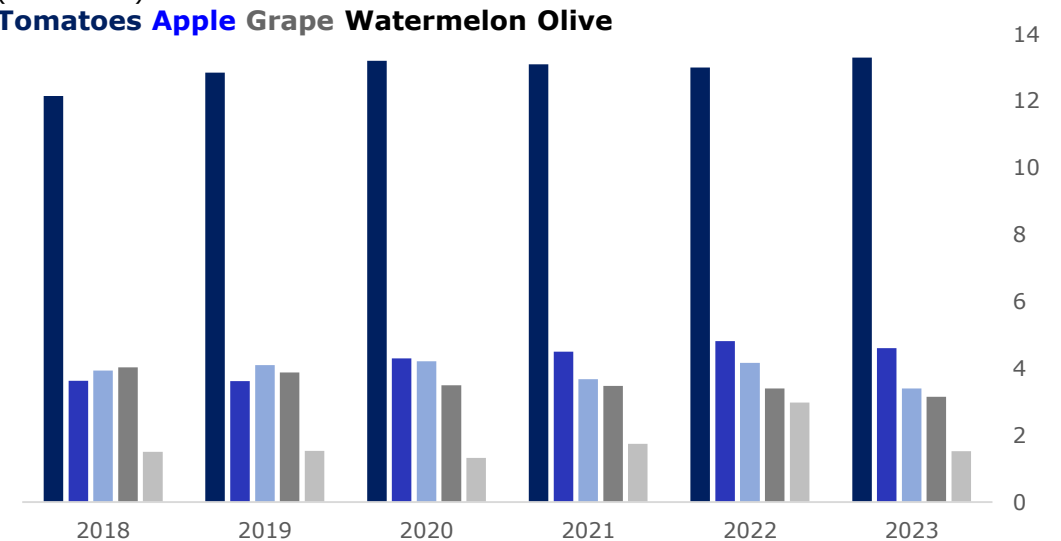
According to 2023 crop production data, fruit production in Türkiye witnessed a 2.1% increase compared to the previous year, reaching a total of 25.7 million tons. Concurrently, vegetable production experienced a modest 0.6% growth, reaching 31.8 million tons.

Production of apple, holding the primary share in fruit production, declined by 4.5% on an annual basis, amounting to 4.6 million tons. Conversely, tomato production, dominating vegetable production, increased by 2.3%, totaling 13.3 million tons. An increase of 67.2% was observed in the citrus fruits group, which includes fruits such as orange, tangerine, lemon and grapefruit.

Fruit and Vegetable Production* (million ton)
Fruit **Vegetable**



Production of Selected Fruits and Vegetables* (million ton)
Tomatoes **Apple** **Grape** **Watermelon** **Olive**

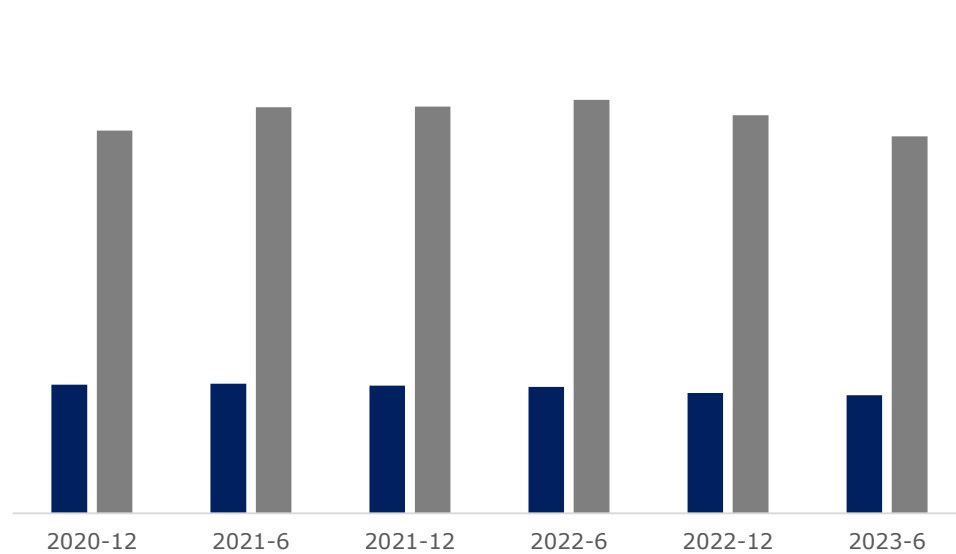


FOOD | Production and Self-Sufficiency

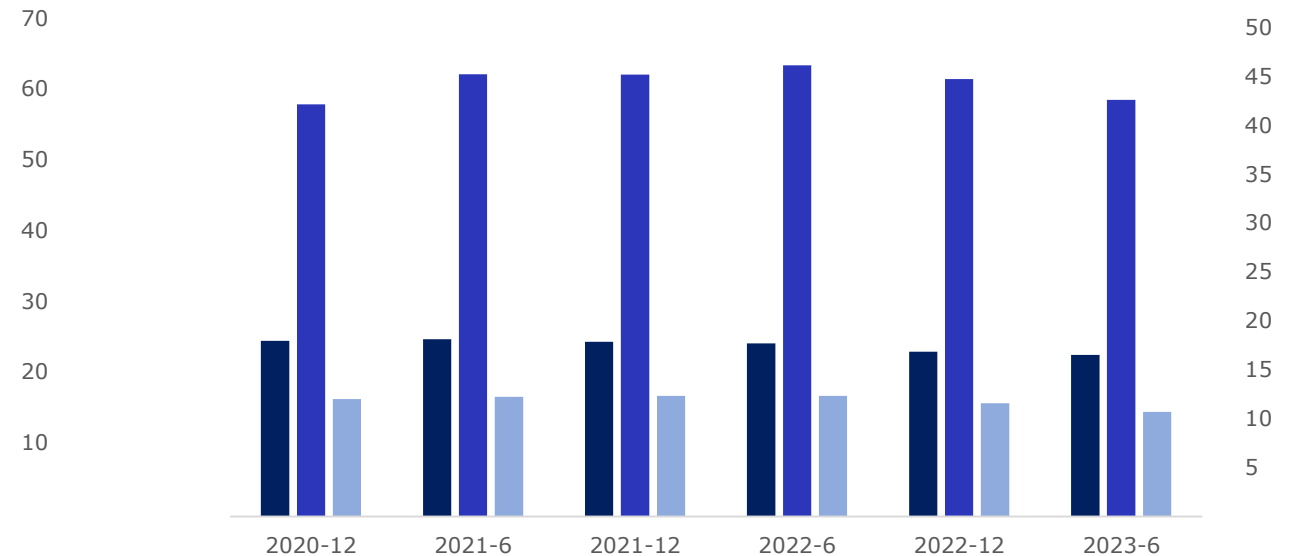
As of the end of June 2023, animal production reached 70.1 million units, marking an 8.3% decline compared to the corresponding period in the preceding year. This signifies a reduction of 4.5% when juxtaposed with the culmination of the previous year.

The production of sheep, the predominant livestock, diminished to 42.6 million units by the end of June 2023, reflecting a 7.7% decrease in comparison to the same period of the previous year. The production of cattle—the most commonly raised animal within the large ruminants category—contracted by 6.6%, amounting to 16.5 million units during the same period.

Animal Production (million unit)
Large Ruminant Small Ruminant



Production of Selected Animals (million unit)
Cattle Sheep Goat



FOOD | Production and Growth

The growth in the agricultural sector in Türkiye increased by 0.3% year-on-year in 3Q23, and remained below the GDP growth for the 12 consecutive quarters.

There was a recovery in the summer months after the 5.9% annual decline in the manufacturing of food products in the Industrial Production Index due to the earthquake in February. Food products manufacturing CUR was 75.51% as of December 2023.

Agriculture Sector



As of **3Q-2023**

grew by **0.3%**

Food Products



Industrial Production Index in **October** YoY

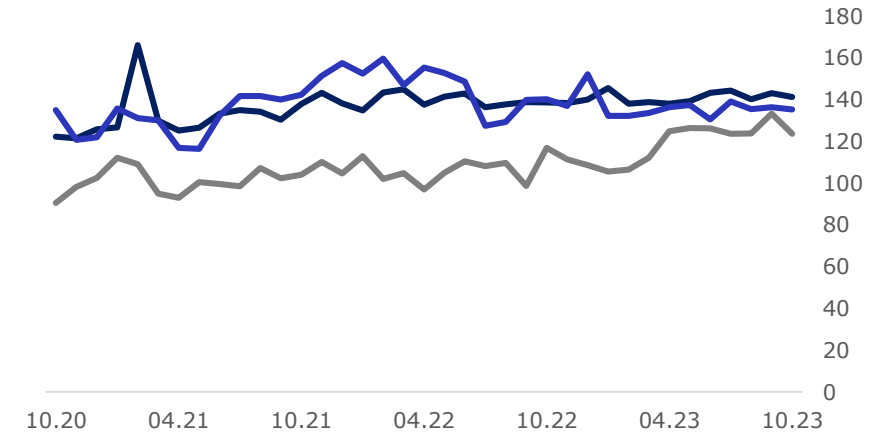
up by **2.0%**



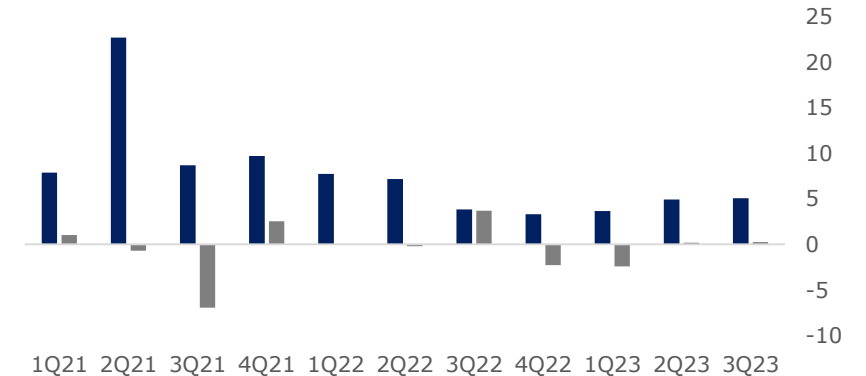
Manufacturing CUR in **December** realized as

75.51%

Industrial Production Index* (2015 = 100)
Food Products Beverages Tobacco Products



Quarterly GDP Change** (annual change, %)
GDP Agriculture-GDP



*Seasonal and calendar adjusted
 **Calendar adjusted

FOOD | Food Inflation

After the sharp rise in food prices in the world in the 2020 – 2022 period, while global food prices decreased significantly in the second half of 2023, it was relatively slow in Türkiye. As of the second half of 2023, food prices within the country have started to rise at an accelerated pace.

As of December 2023, food and non-alcoholic beverages inflation remains elevated, registering an annual increase of 72.01%, surpassing the overall increase in headline inflation. The bread and cereals group experienced an annual increase of 58.42%, while the fresh fruits and vegetables group saw an annual growth of 81.29%.

Food and Non-Alcoholic Beverages Group in October



MoM up by
4.81%



YoY up by
72.01%

Contribution of the main expenditure groups to the total change

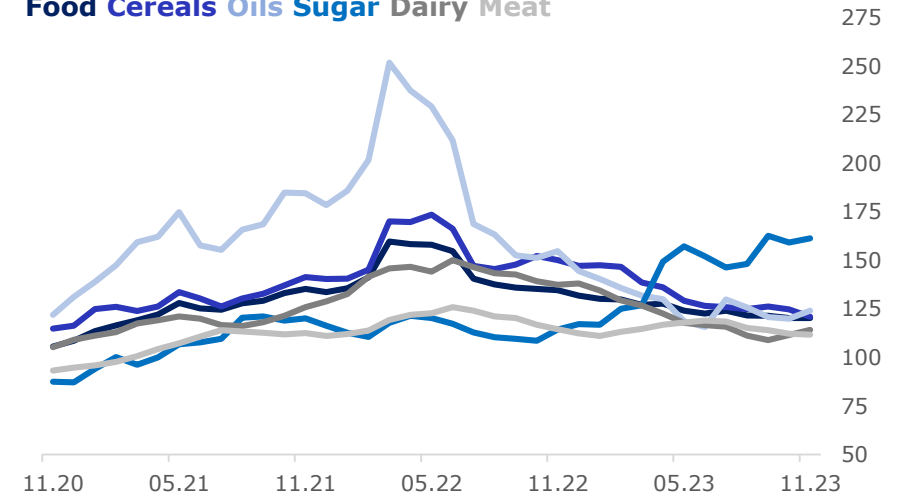


MoM realized as
1.26

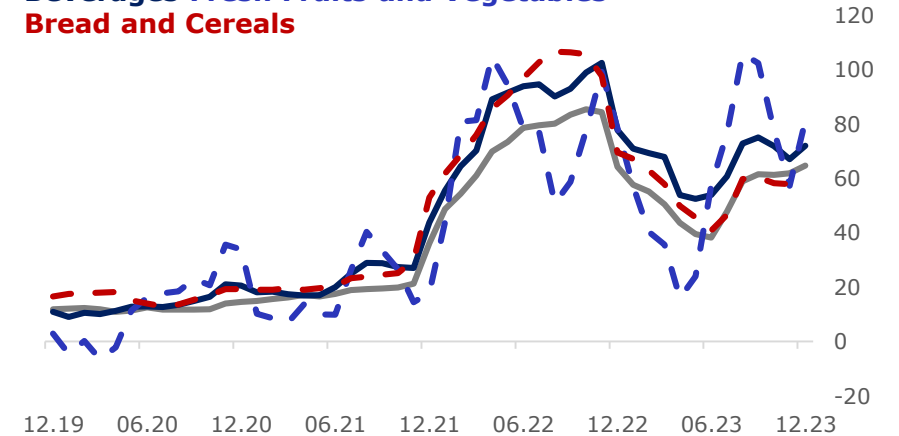


YoY realized as
18.31

FAO Food Price Index (Nominal)
Food Cereals Oils Sugar Dairy Meat



Consumer Price Index (Annual change, %)
All Items CPI Food and Non-Alcoholic Beverages Fresh Fruits and Vegetables Bread and Cereals



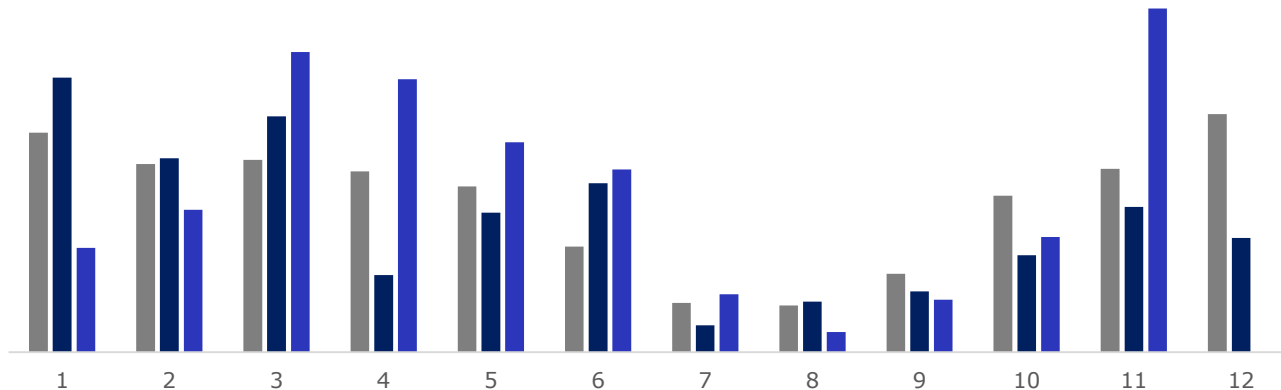
FOOD | Food Inflation and Drought

Given the agricultural sector's reliance on imports, particularly for cereals, exchange rate fluctuations play a crucial role.

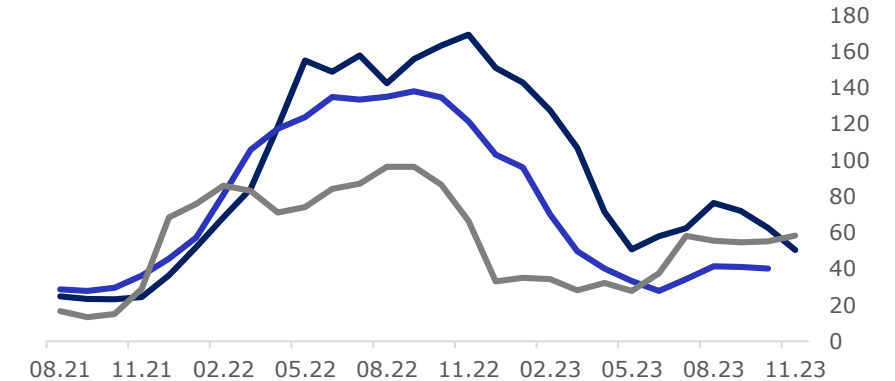
In November, whilst the rainfall in Türkiye in general was above the seasonal normals 2024 water-year rainfalls, covers the October 2023 – November 2023 period, increased by 90% compared to the same period of the previous year and 36% compared to seasonal normals.

On the other hand, as of November 21, 2023, the Ministry of Agriculture and Forestry reported that water volume in the the irrigation dams was 20.3 billion cubic meters while the occupancy rate in the 116 drinking water dams was 35.7%.

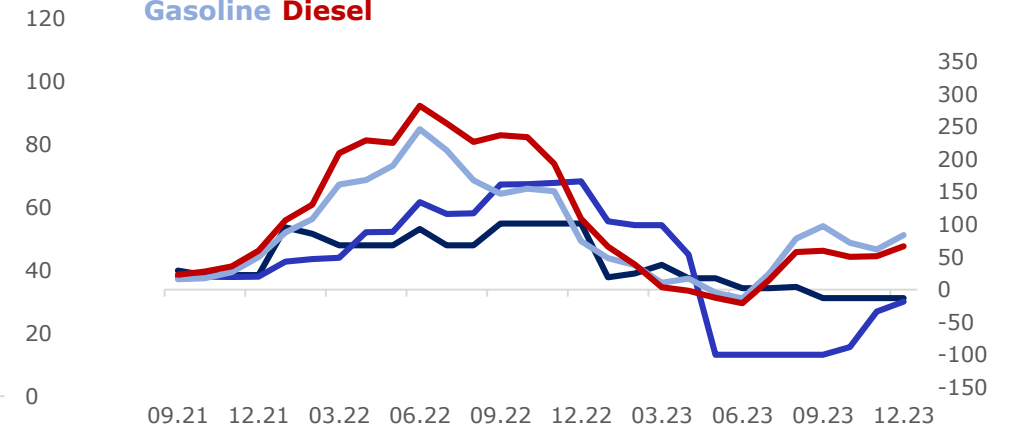
Monthly Areal Rainfall (mm)
Average 2022 2023



External Dependence in Agriculture (Annual Change, %)
Agriculture-PPI Agriculture Input Price Index Currency Basket (1/2 USD + 1/2 EUR)



CPI-Energy and Commodities (Annual Change, %)
Electricity Natural Gas Gasoline Diesel




FOOD | Export

Total exports of food products in November 2023 (total of last 12 months) witnessed a marginal increase of 2.18% compared to FYE2022, totaling USD 21.0 billion.

The export of vegetables and fruits, leading the highest export volume in the food products segment, amounted to USD 5.3 billion, with Germany standing as Türkiye's primary export market.

In November 2023 compared to the same month of previous year

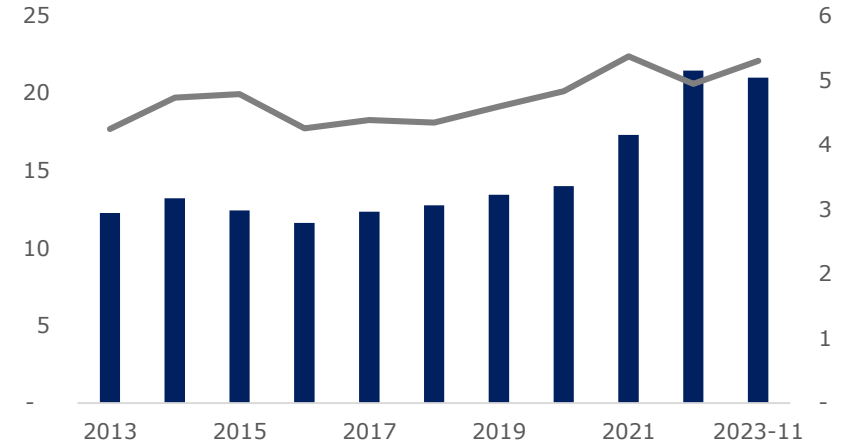
**Food Products**
down by **8.24%**
1.9 milyar USD

**Fruit and Vegetable**
down by **0.27%**
623.8 milyon USD

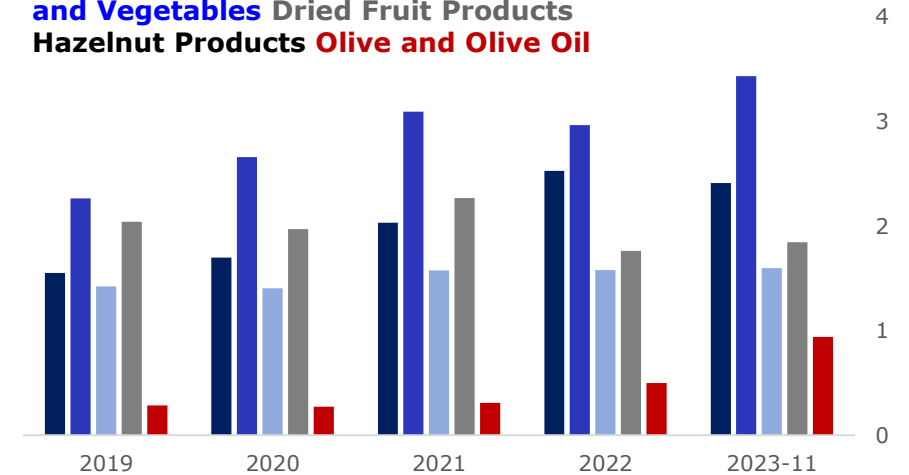
**The Biggest Market**
Europe | **Germany**

*Data for 2023 is total of the last 12 months.

Export of Food Products* (billion USD)
Foof Products **Fruit and Vegetable** (right axis)



Export of Selected Products* (billion USD)
Fruit and Vegetable Products **Fresh Fruits and Vegetables** **Dried Fruit Products** **Hazelnut Products** **Olive and Olive Oil**



FOOD | Import

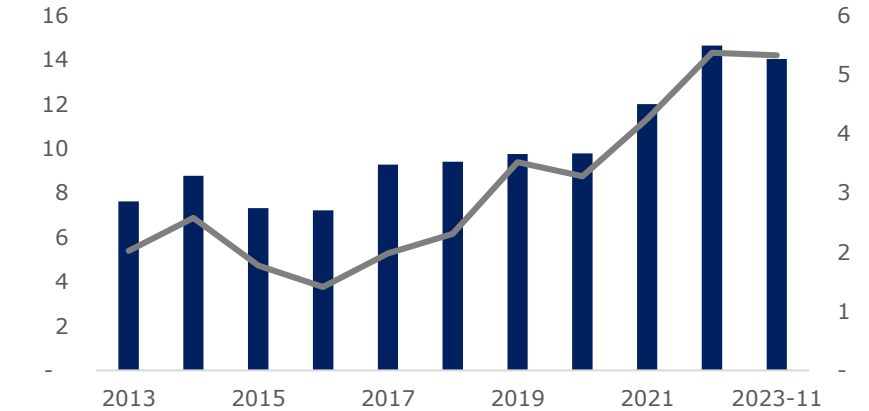
The total import of crop and animal production in November 2023 (total of last 12 months) declined by 4.1% compared to FYE2022 and amounted to USD 14.0 billion.

The imports of cereals, the category with the largest import in crop and animal production, totaled USD 5.3 billion, with Russia and Ukraine collectively constituting 86.1% of the overall share.

Import of Crop and Animal Production*

(billion USD) **Crop and Animal Production****

Cereals (right axis)



In November 2023 compared to the same month of previous year

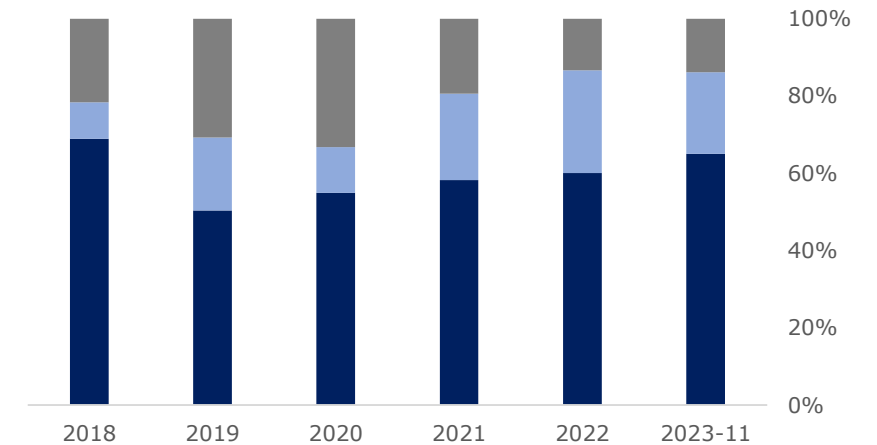
Crop and Animal Production**
 down by **26.92%**
884.3 milyon USD

Cereals
 down by **57.07%**
57.9 milyon USD

The Biggest Importer
 Asia | **Russia**

Country Shares in Cereals Import*

Russia Ukraine Others



*Data for 2023 is total of the last 12 months.
 ** Hunting and related service activities are included.



Textile

TEXTILE | Manufacturing, Employment, Costs



Manufacturing PMI | 12/23

Textiles: **47.2**

Clothing and Leather Products:
45.8

* ICI Türkiye Manufacturing PMI



Manufacturing CUR | 12/23

Textiles: **71.51%**

Wearing Apparel: **76.92%**

Leather Products: **62.08%**



Industrial Production Index | 10/23

Textiles: - **5.87%**

Wearing Apparel: - **16.73%**

Leather Products: - **7.78%**

* Calendar Adjusted



Industrial Turnover Index | 10/23

Textiles: **36.38%**

Wearing Apparel: **37.46%**

Leather Products: **30.99%**

* Calendar Adjusted



Employment | 10/23

Number of Workers Insured

1,123,046

*Covers the manufacture of textiles, wearing apparel and leather products



Cotton Price | 12/23

USD 0.81 (Per Pound)

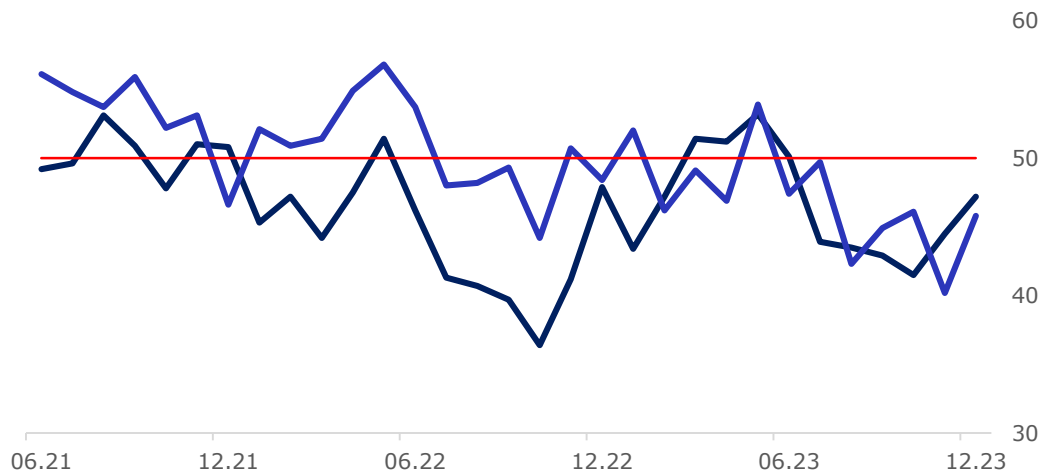
* Closing price on 31/12/23.

TEXTILE | Manufacturing Indicators

Declining demand and rising costs are on the agenda of textile sector. The Manufacturing PMI data for December stayed below the threshold of 50, indicative of the persisting deceleration in new orders and the subdued trend in production. Businesses responded to reduced workloads by scaling back on employment and purchasing activity, while weak demand limited the pricing power of these businesses.

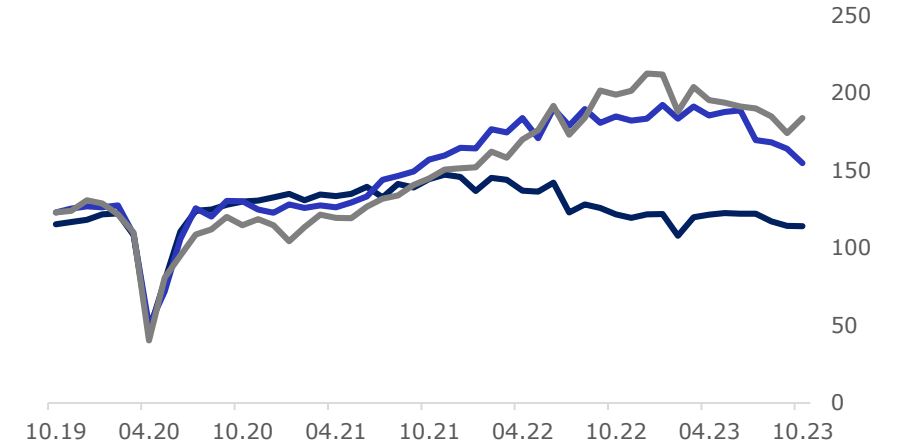
Low demand in the EU, coupled with limited increase in exchange rates and rising costs like labor, has put the wearing apparel sector in a difficult position in terms of competition. Concurrently, the reduction in workloads is contributing to job losses.

ICI Türkiye Manufacturing PMI Textile Clothing and Leather Products

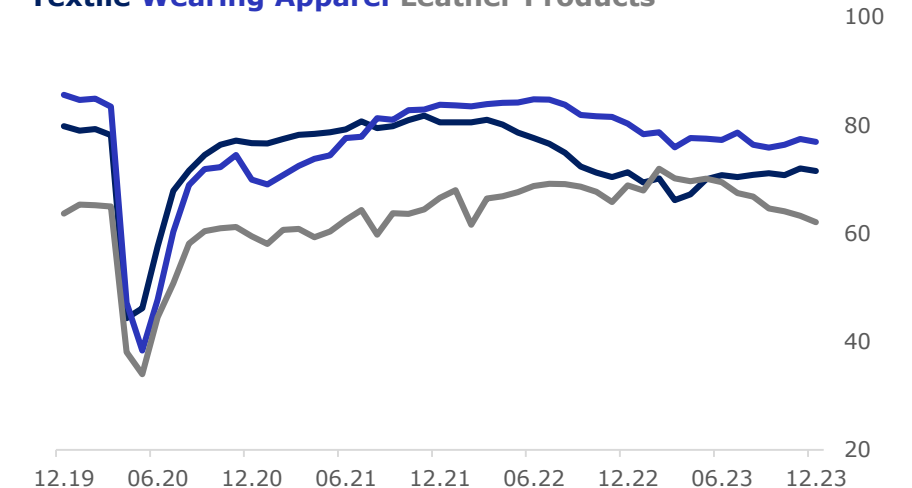


* Seasonal and Calendar Adjusted

Industrial Production Index* (2015 = 100) Textile Wearing Apparel Leather Products

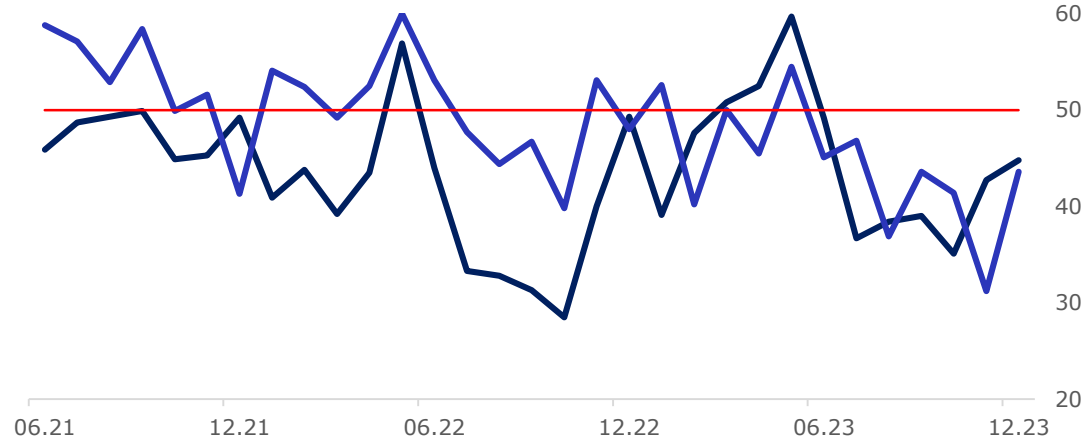


Manufacturing CUR (%) Textile Wearing Apparel Leather Products

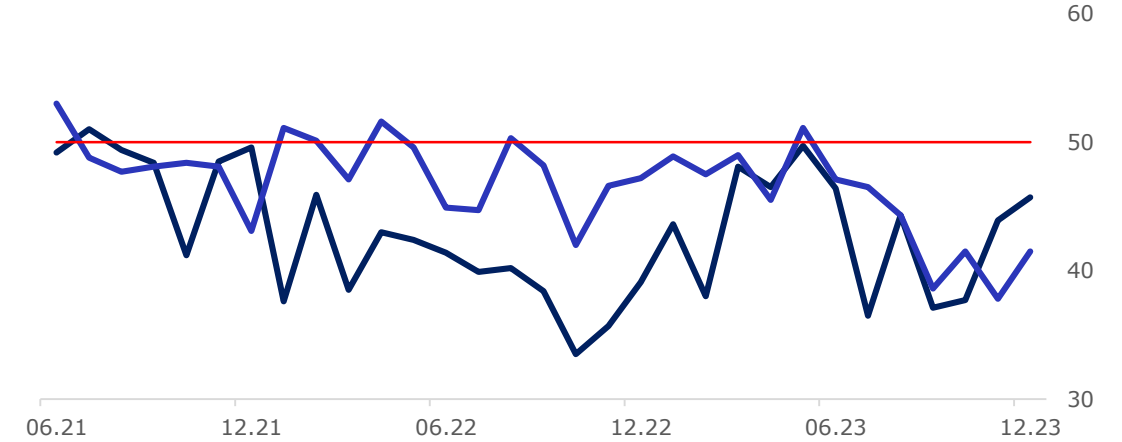


TEXTILE | Manufacturing Indicators

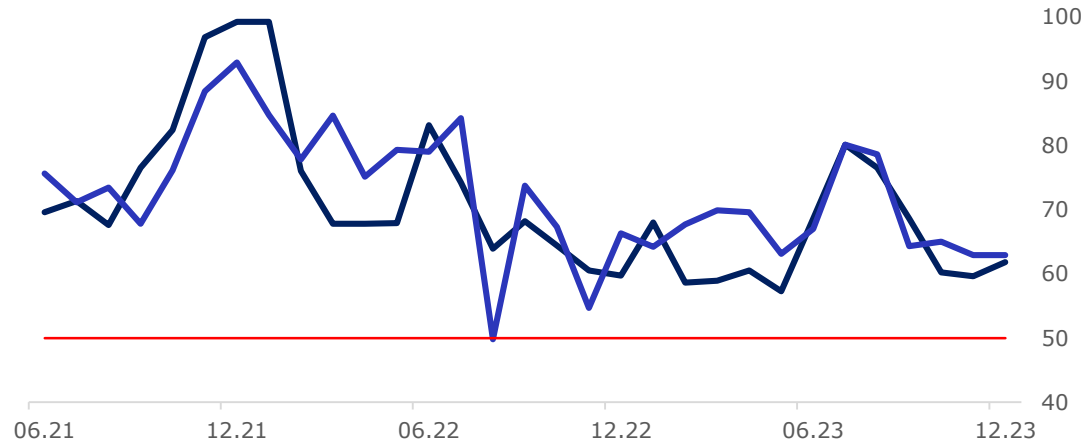
New Orders PMI
Textile Clothing and Leather Products



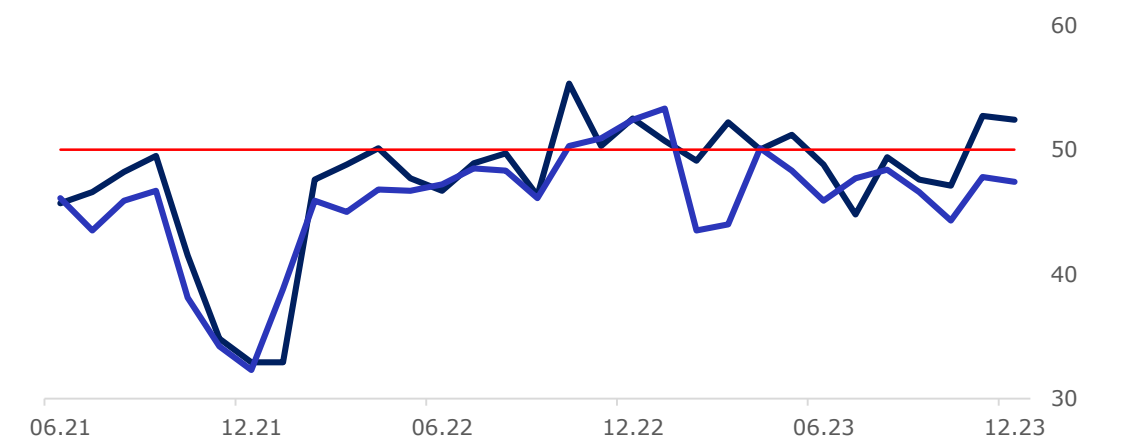
Backlogs of Work PMI
Textile Clothing and Leather Products



Input Prices PMI
Textile Clothing and Leather Products



Suppliers' Delivery Times PMI
Textile Clothing and Leather Products

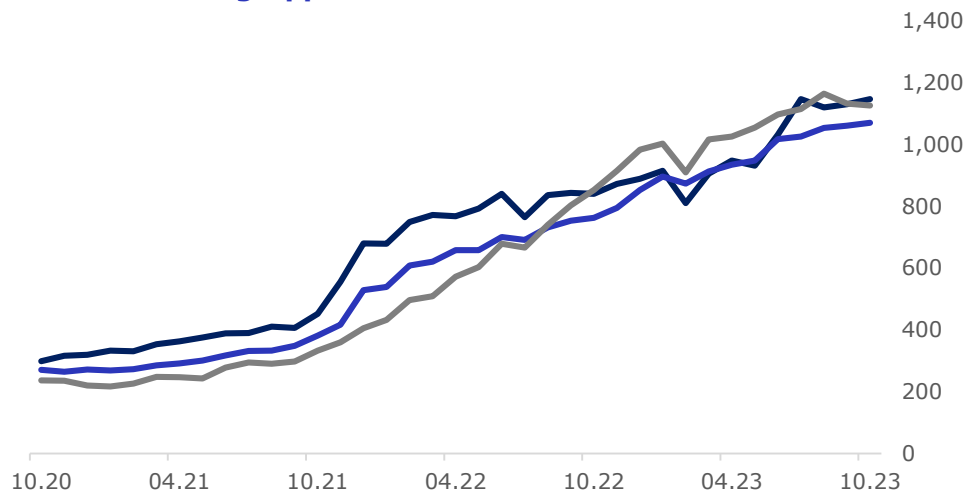


* ICI Türkiye Sectoral PMI

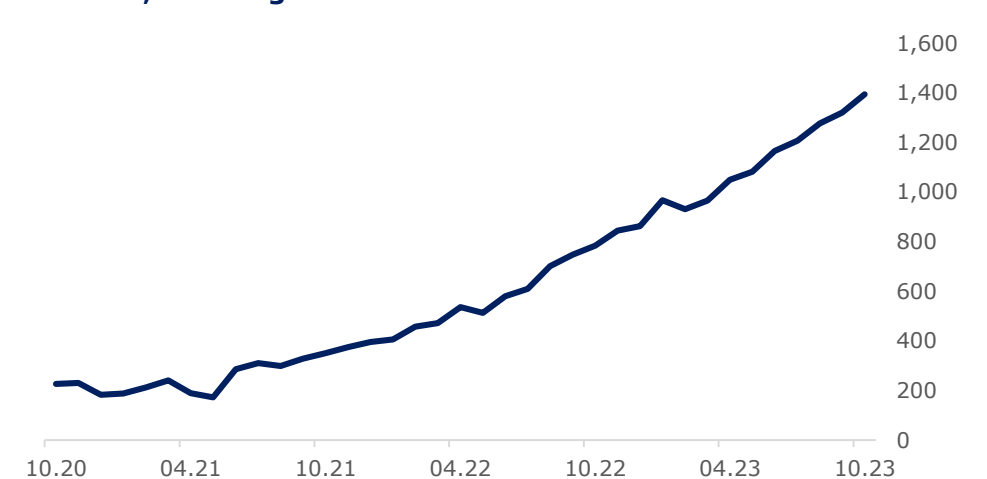
TEXTILE | Turnover Indices

While the textile and apparel industry continued to have difficulties in reflecting their costs to the consumers, the textile, clothing and footwear retail turnover index continued to rise due to the increase in consumer expenditures created by the inflationary environment after the fall in February due to the earthquake. As of the 3rd quarter of 2023, industrial turnover and retail turnover and sales volume indices showed that although the increase in consumer demand continued in the 3rd quarter, the rate of increase slowed down due to the effect of tightening financial conditions.

Industrial Turnover Index* (2015 = 100)
Textile Wearing Apparel Leather Products



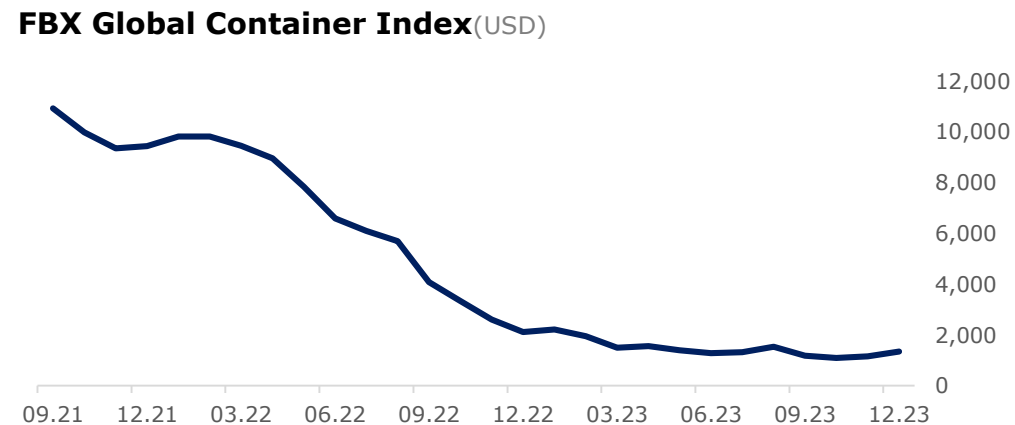
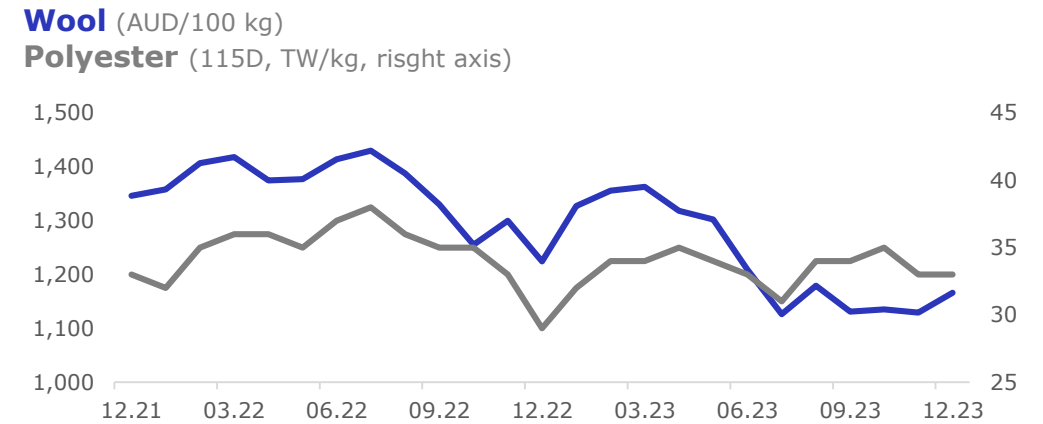
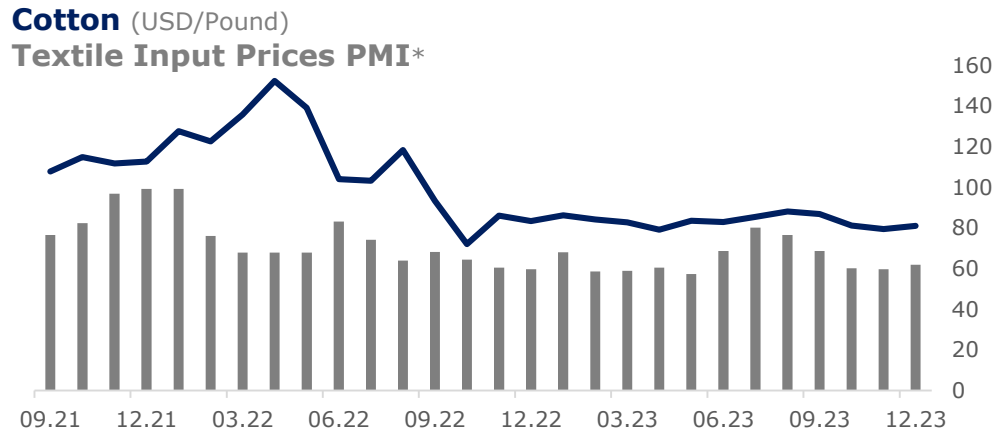
Retail Turnover Index* (2015 = 100)
Textiles, Clothing and Footwear



* Seasonal and Calendar Adjusted

TEXTILE | Costs

While cotton prices have continued to fluctuate in the range of 0.8 - 0.9 USD/pound worldwide since November 2022, cotton prices remaining low despite rising input costs in the country and the premium support given per kilogram of TRY 1.60 are pushing the producers away from production. On the other hand, the falling demand both at internal and external changed the balances in the foreign trade of cotton. Additionally, the impact of weakened global growth expectations continues to be observed in the container shipping index.



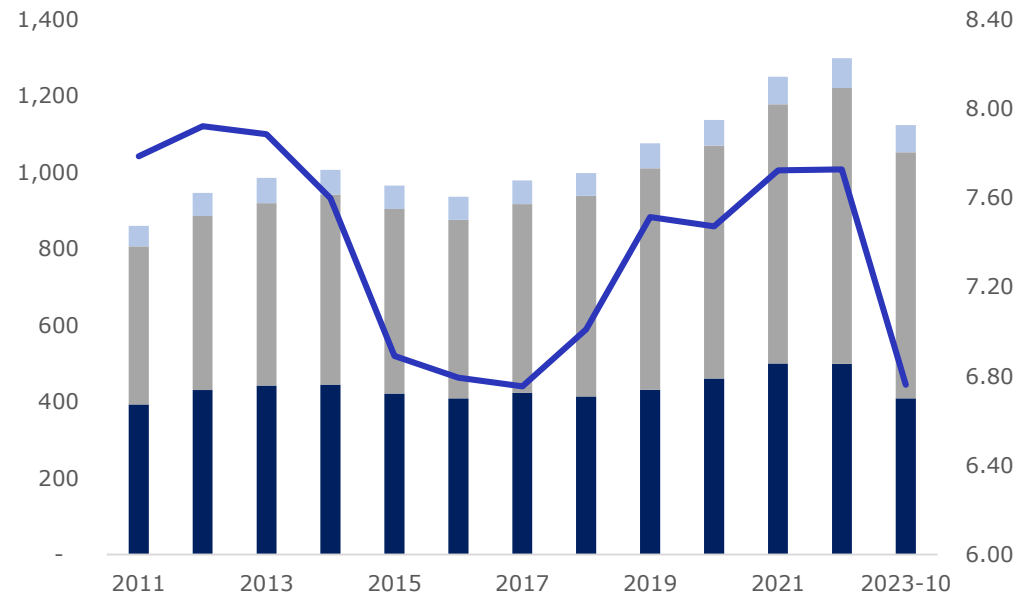
* ICI Türkiye Sectoral PMI

TEXTILE | Employment

In August 2023, the number of workers insured in the manufacture of textiles, wearing apparel and leather products decreased by 174,761 compared to 2022 and realized as 1,123,046. The decrease in the manufacture of textiles was 18.1%, while the decrease in wearing apparel was 10.8%.

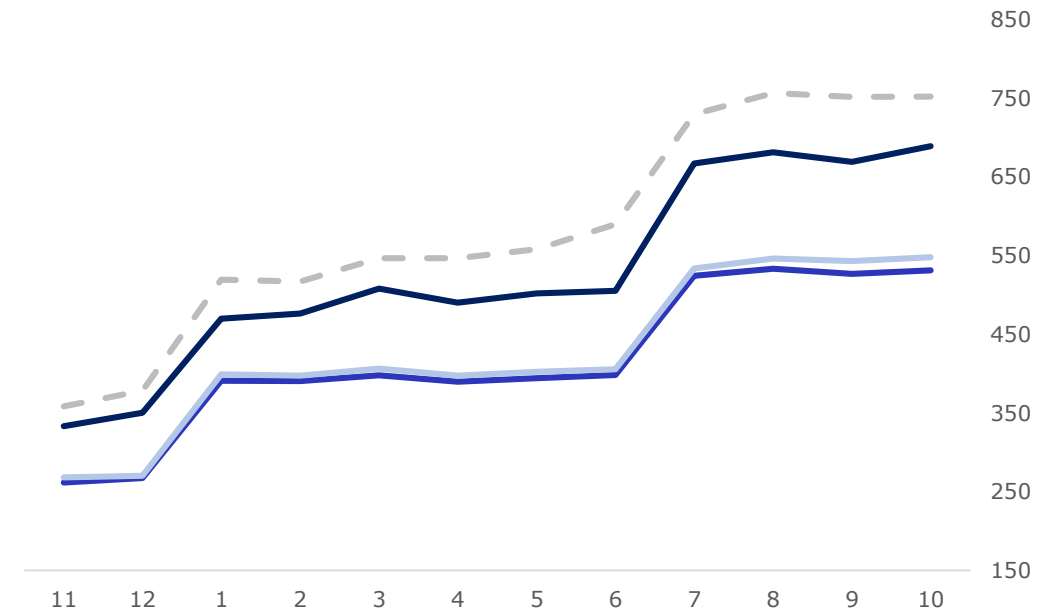
In parallel, the share of employment in the manufacture of textiles, wearing apparel and leather products, which was 7.7% in 2022, in total employment decreased to 6.8% as of August this year.

Employment Figures (thousand)
Textile Wearing Apparel Leather Products
Share (% , right axis)



* 2022 data is calculated as annual average

Average Daily Earning in the Last 12 Months (TRY)
Textiles Wearing Apparel Leather Products Average



TEXTILE | Foreign Trade

The total export of textiles, wearing apparel and leather products in November 2023 (total of last 12 months) decreased by 6.2% compared to 2022 and realized as USD 33.8 billion. Textiles, wearing apparel and leather products contracted by 8.4%, 4.9%, and 4.2% respectively. When exports in November 2023 are compared to the same month of the previous year, textiles, wearing apparel and leather products went down by 4.0%, 8.9%, and 22.3%, respectively.



2023 November Export of Textiles, Wearing Apparel and Leather Products

USD 33.8 billion

*Data for 2023 is total of the last 12 months.



2023 November Export of Wearing Apparel

USD 18.8 billion
4.1 billion pieces
0.9 billion KG

*Data for 2023 is total of the last 12 months.



2023 November Import of Textiles, Wearing Apparel and Leather Products

USD 10.4 billion

*Data for 2023 is total of the last 12 months.



The Biggest Market Europe | **Germany**

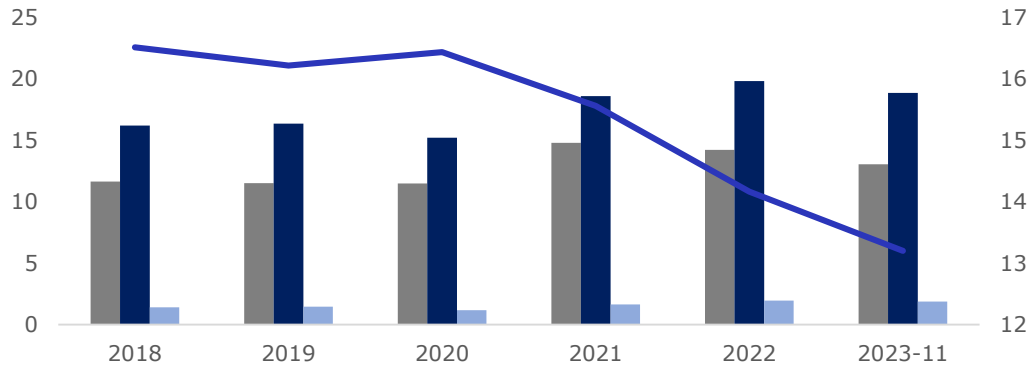
*Data for 2023 is total of the last 12 months.

TEXTILE | Export

Exports* (milyar USD)

Textiles wearing Apparel Leather Products

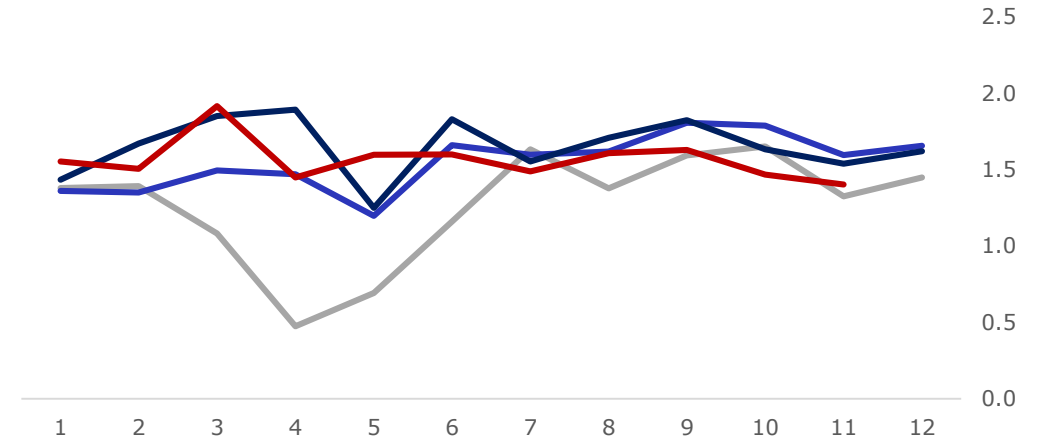
Share (right axis, %)



* The data for 2023 represents the total of the last 12 months and the share shows the share of exports of textiles, wearing apparel and leather products in total exports.

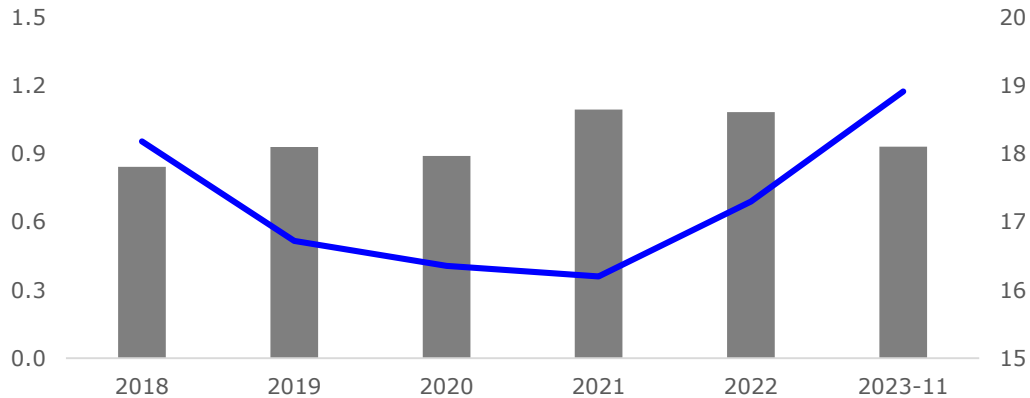
Monthly Export of Wearing Apparel (billion USD)

2020 2021 2022 2023



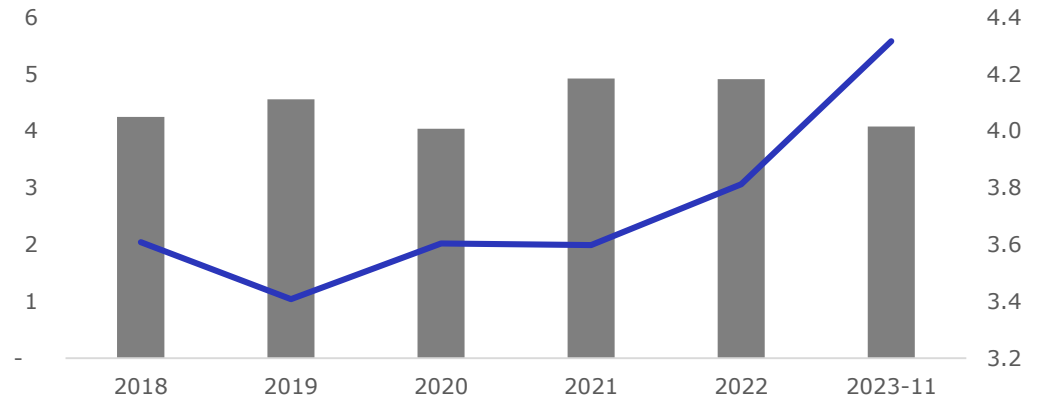
Export of Wearing Apparel (billion)

KG per KG (right axis)



Export of Wearing Apparel (billion)

Piece per Piece (right axis)



*Data for 2023 is total of the last 12 months.

TEXTILE | Export

Export of Wearing Apparel* (billion USD)

	2021	2022	2023-11	Change (%)
Germany	2.94	3.21	2.79	-12.98
Spain	2.63	2.49	2.20	-11.74
United Kingdom	1.98	1.93	1.49	-22.85
Netherlands	1.40	1.60	1.70	6.53
France	0.89	1.02	0.98	-3.36
USA	0.69	0.82	0.77	-6.29
Italy	0.57	0.68	0.66	-3.64
Iraq	0.51	0.47	0.46	-.244
Israel	0.47	0.47	0.32	-31.31
Denmark	0.43	0.46	0.34	-25.25

Considering the cumulative total of the last 12 months, Germany remained the leading destination for Türkiye's wearing apparel exports in November 2023, amounting to USD 2.79 billion, despite a year-on-year decline of 13.0%. Spain followed Germany with 2.2 billion USD. While the Netherlands was the only country that increased export volume among the top 10 countries and it ranked 3rd, leaving the United Kingdom behind considering November 2023 figures.

*Data for 2023 is total of the last 12 months.



Construction

CONSTRUCTION | Housing

As we start 2024, the housing sector...

While the expected performance in housing sales could not be achieved in 2023 due to increasing prices in the housing sector, rising costs and the financing crisis in housing purchases, the rises in newly initiated construction activities carried the hopes to 2024.

House Sales
in November 2023
realized as
93,514



Residential Property Price Index
in October 2023
up by
86.5%



Construction Permits
in 3Q-2023
up by **24.9%**

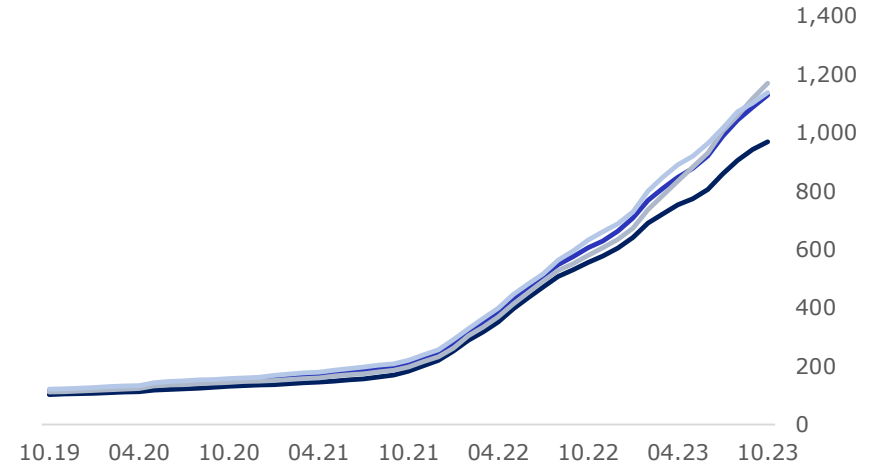


Occupancy Permits
in 3Q-2023
down by **13.7%**



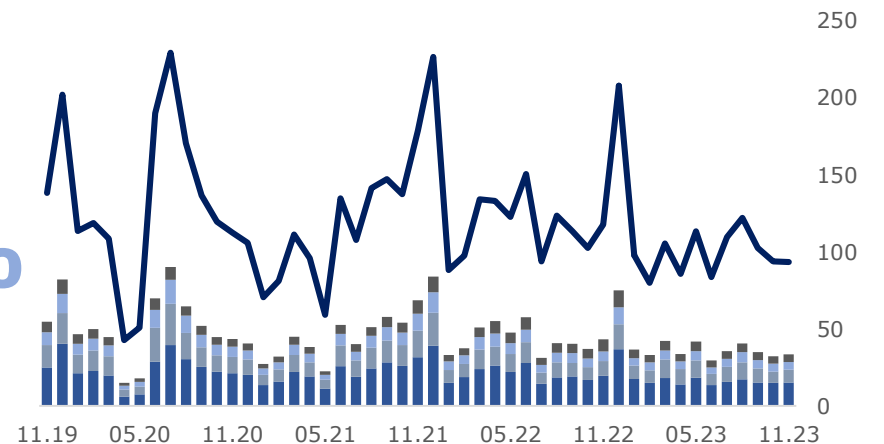
The House Price Index continues to lose momentum.

Türkiye İstanbul Ankara İzmir (Level)



Housing Sales (thousand unit)

Türkiye İstanbul Ankara İzmir Antalya



CONSTRUCTION | Housing

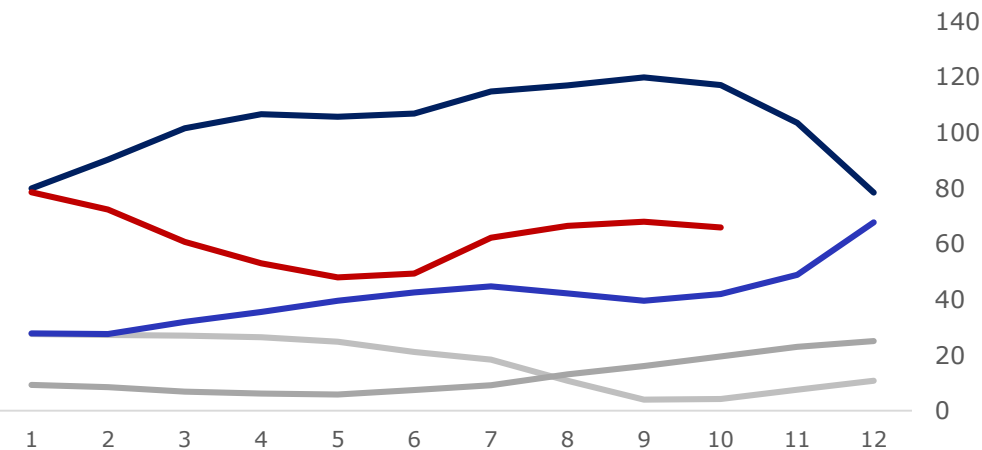
Building statistics increased strongly in the third quarter.

After the devastating earthquake disaster in February, the construction activities started in the earthquake region and the increase in urban transformation activities in other risky regions on the fault line, the number of newly started constructions increased by **24.0%** in the third quarter of 2023 compared to the same period of the previous year. In the third quarter, construction permits were given to **35,351** buildings, while the number of buildings given occupancy permits was recorded as **19,691**.

The rate of increase in the construction cost index, which started to accelerate in June 2023, lost momentum and continued its horizontal course. The index, which recorded an increase of **65.9%** in October 2023, rose to **1,162.8**.

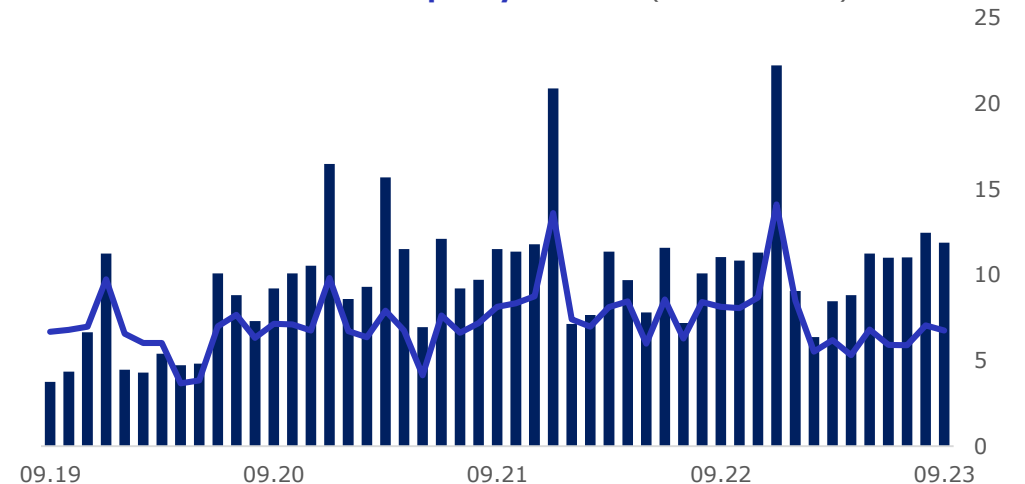
Construction cost index change remains horizontal.

2023 2022 2021 2020 2019



New construction permit starts increased strongly in the third quarter

Construction Permits Occupancy Permits (thousand units)

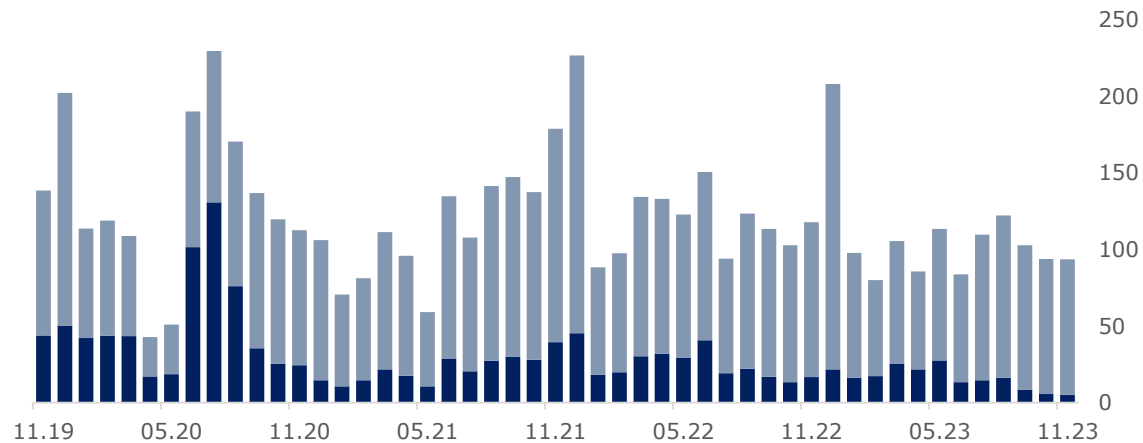


CONSTRUCTION | Housing

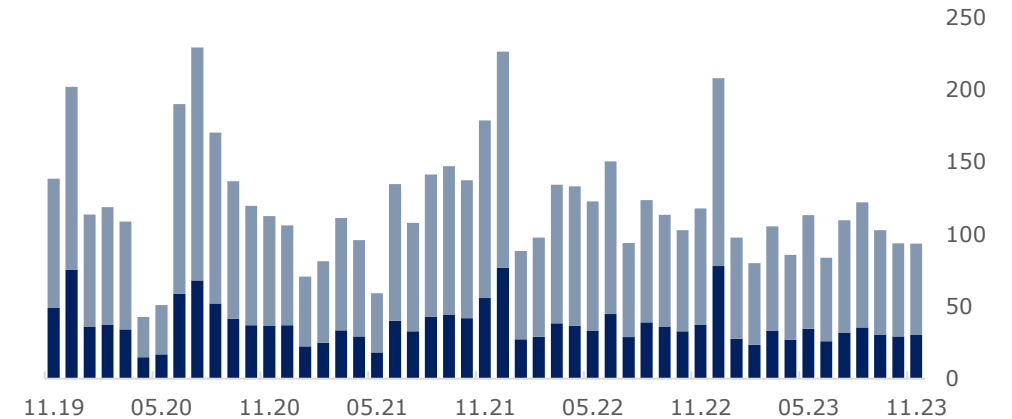
Sales continue to decline.

Housing sales across Türkiye decreased by **20.6%** YoY in November 2023, falling to **93,514** units. During the period when housing loan interest rates were high, the share of mortgage sales in total sales dropped to historical lows of **5.6%**. While this rate was 15.8% in the 11-month period of the year, it was 20.2% in the January-November period last year. While **30,472** new houses were sold in November, the number of second-hand houses sold was **63,042**.

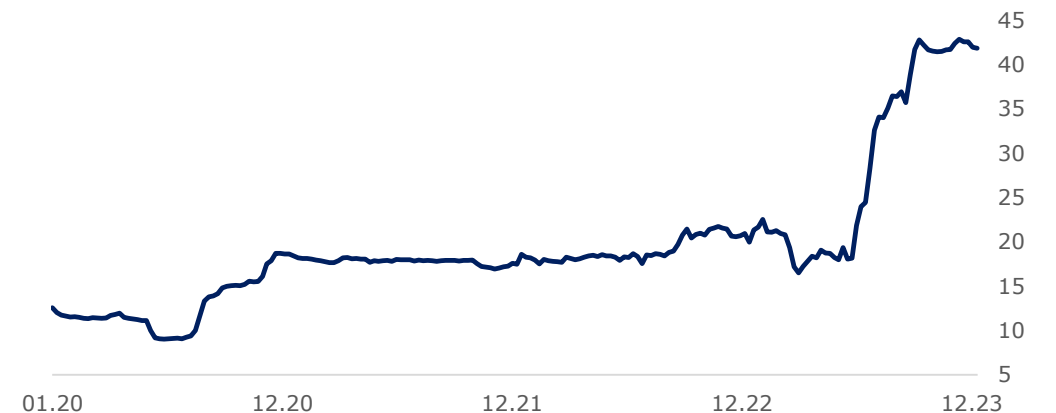
Housing Sales (thousand units)
Mortgaged Sales **Other Sales**



Housing Sales (thousand units)
First-Hand Sales **Second-Hand Sales**



Mortgage interest rates are above 40%.
Mortgage Interest Rate (%)



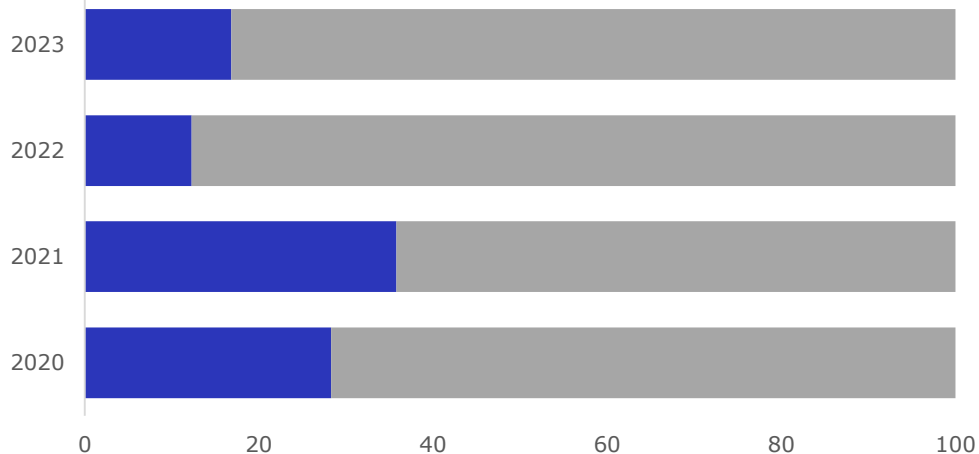
CONSTRUCTION | Contract

Targets were exceeded in international contracting projects.

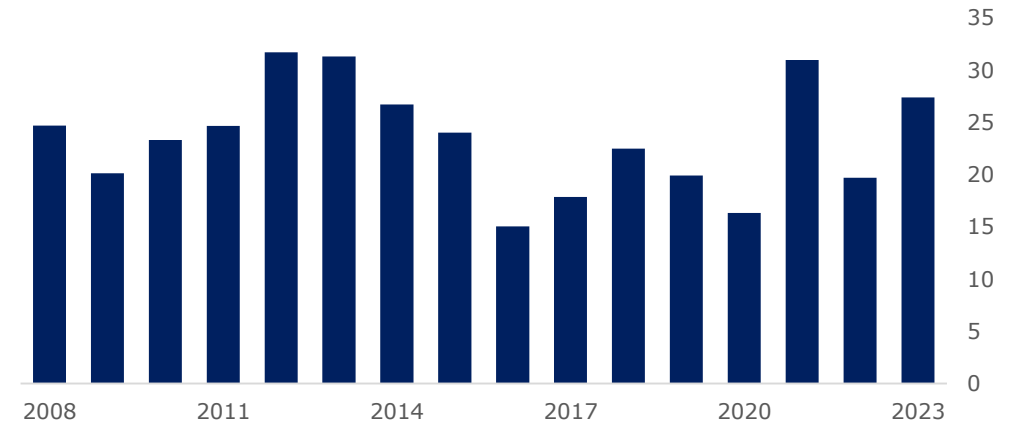
The total project cost undertaken by Turkish contractors in the international arena increased to **USD 27.4 billion** in FYE2023. The cost of the project undertaken from 1972 to 2023 was **USD 501.9 billion**. Although Russia's share in contracting works, which declined after the Russia-Ukraine war, increased to **16.8%** in 2023, it remained below the average of previous years.

Russia's share, which declined with the war, increased in 2023.

Russia Other (%)



Project Revenue (billion USD)



Cumulative Project Revenue (billion USD) Exponential Trend



CONSTRUCTION | Contract

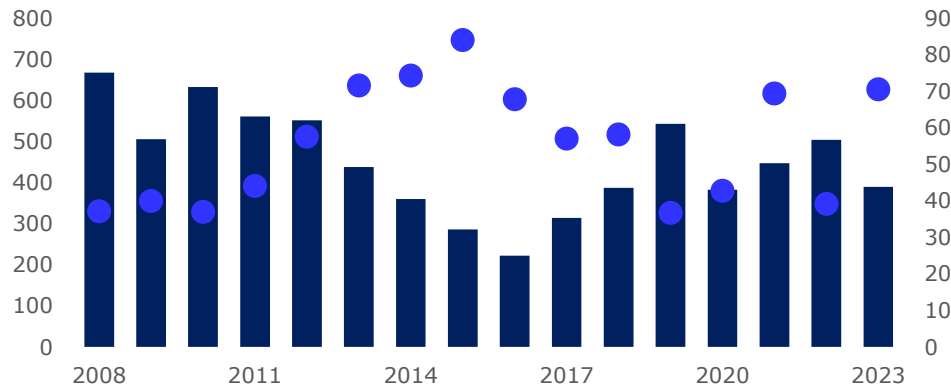
As of FYE2023, Turkish contractors have committed to **389** projects, with an average project cost of **USD 70.4 million**.

Between 1973 - 2023, the country with the most projects undertaken was Russia with an approximate project revenue above the USD 100 billion. Turkmenistan ranked second, and Iraq ranked third in the list.

International Contracting Services

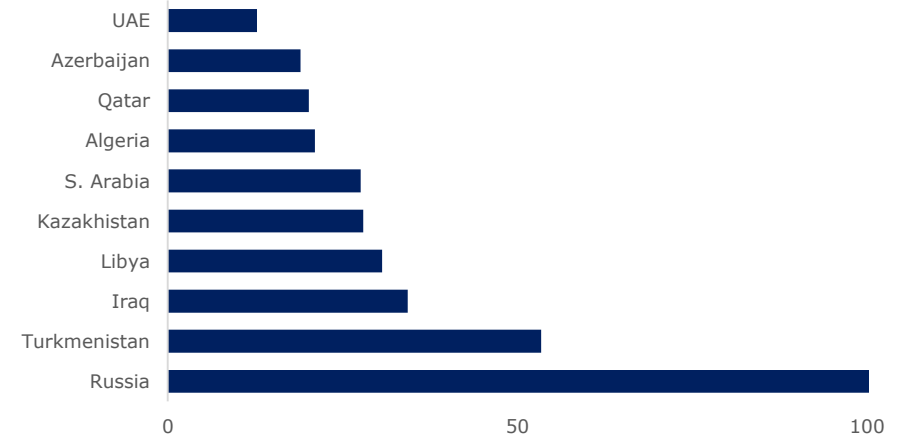
Number of Project (Left Axis) (Number)

Average Project Revenue (Right Axis)(Million USD)



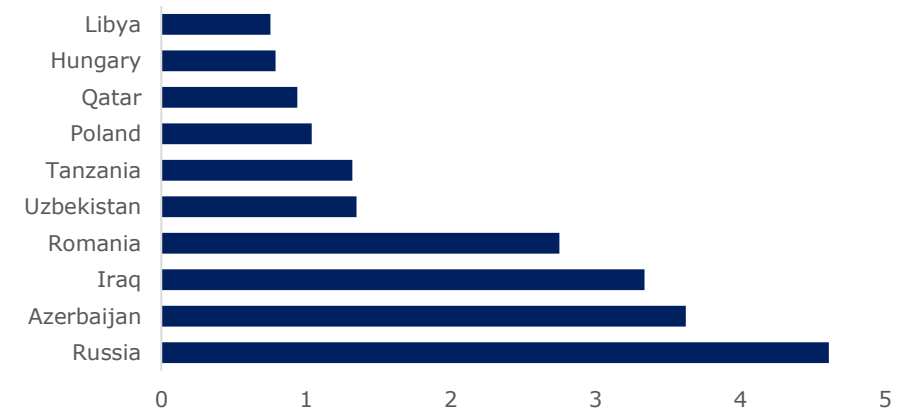
Project Revenue Between 1972-2023 Period

Project Revenue (Billion USD)



Project Revenue by Country in 2023

Project Revenue (Billion USD)

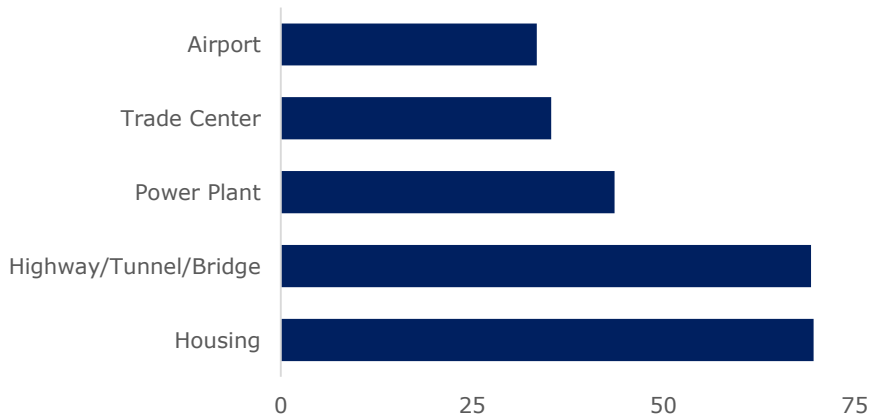


CONSTRUCTION | Contract

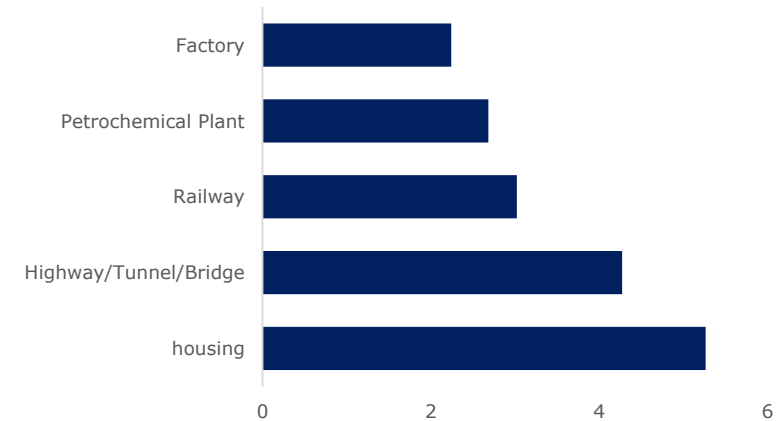
Housing and infrastructure projects come to the fore...

According to the note published by the Ministry of Trade, housing and infrastructure projects come to the fore in the sectoral distribution of the projects undertaken. The Turkish contracting industry undertaking housing projects worth of 5.26 billion USD in 2023 undertook road/tunnel/bridge projects worth of 4.27 billion USD.

Sectoral Project Distribution Between 1972-2023 Project Revenue (Billion USD)



Sectoral Project Distribution in 2023 Project Revenue (Billion USD)



While there were no difference observed in the top two ranks in the distribution of international contracting transactions by building type in the previous period, the cost of power plant and airport projects undertaken in the recent period drew attention.



Tourism

TOURISM | Introduction

2023 met expectations.

In line with expectations, the number of foreign tourists coming to the country in the first 11 months of 2023 increased by 10.8% and was recorded as 46.7 million. According to the results as of November, an improvement was recorded compared to the pre-pandemic period (2019). While the positive outlook in the sector is expected to continue in 2024, it will be taken into consideration that geopolitical developments may also affect the outlook.



International Tourist Arrivals

In the First Eleven Months of 2023

up by **10.8%**



Number of Tourists by Nationality

In the first eleven months of 2023,

6.1 million Russian

tourists hosted

Tourism Revenue



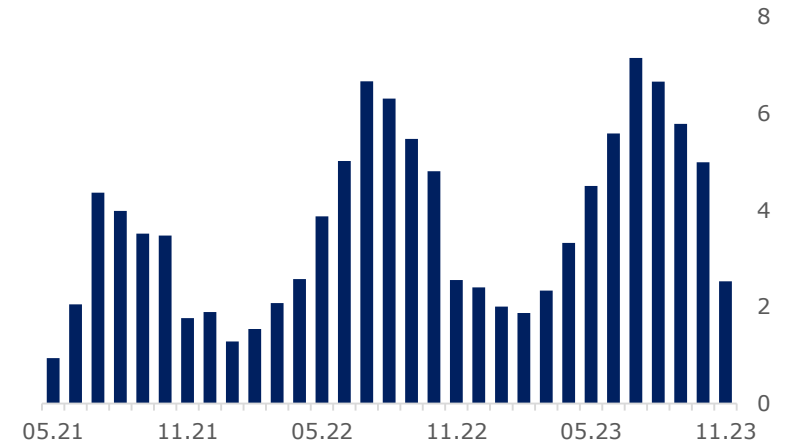
In the First Nine Months of 2023

realized as

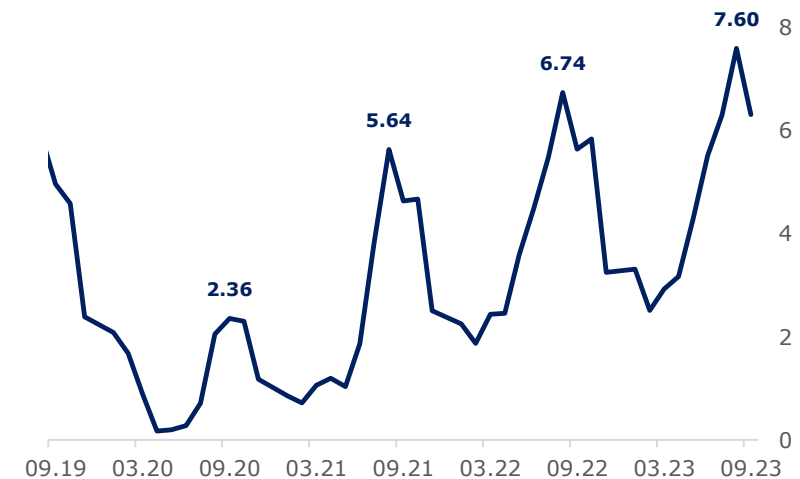
USD 42.0 billion

Number of Visitors

Foreigners (Million People)



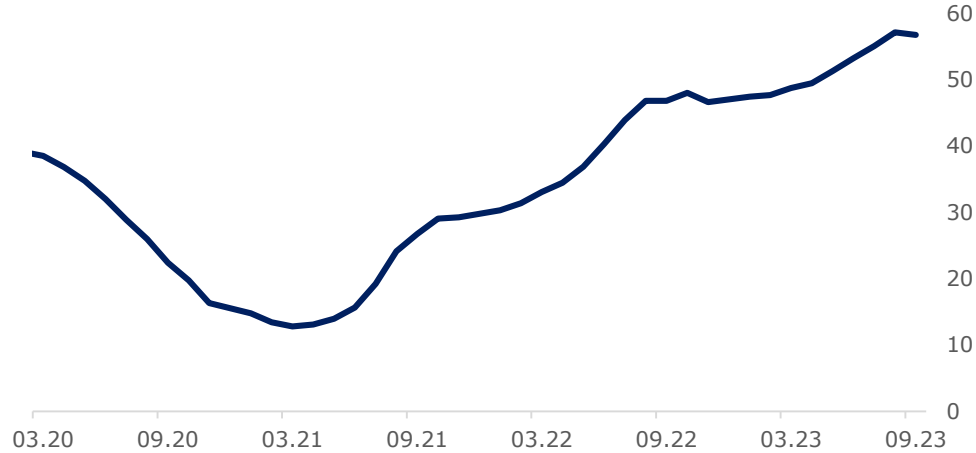
Tourism Revenue (Billion USD)



TOURISM | Number of Visitors

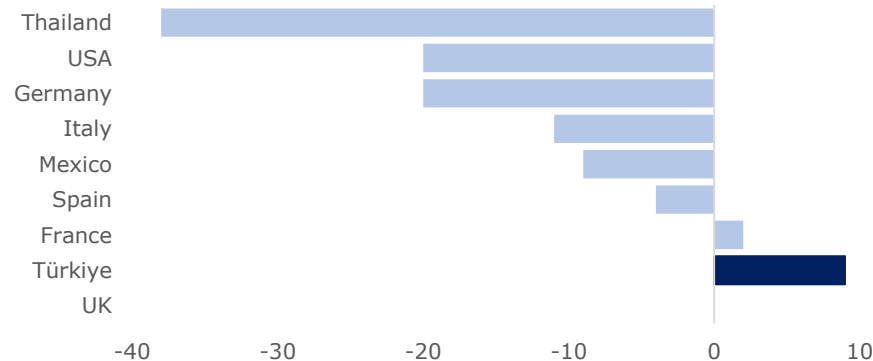
12-month tourism revenues increased to USD 53.2 billion.

12-Month Tourism Revenues (billion USD)



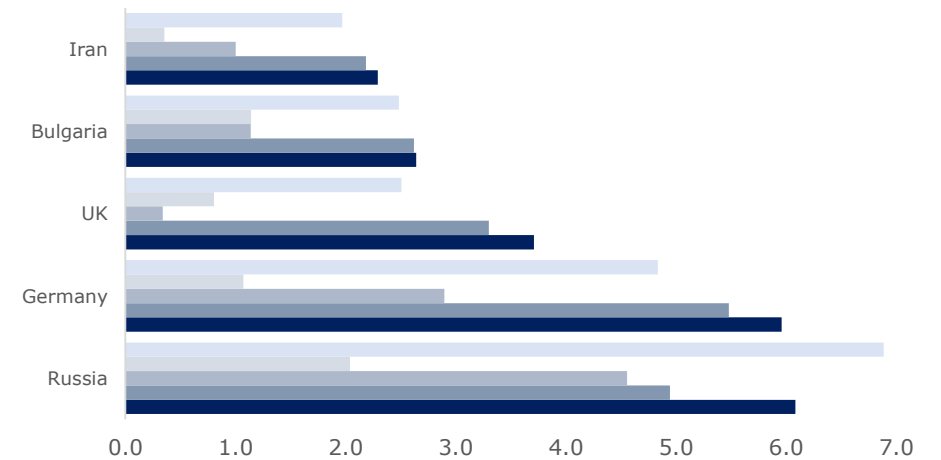
According to the number of foreign tourists in the top 10 destinations compared to the pre-Covid-19 period, Türkiye was the destination that showed the most recovery.

Recovery Compared to Pre-Pandemic (%)



Visitors Comparison for January-November in the Last 5 Years (Million People)

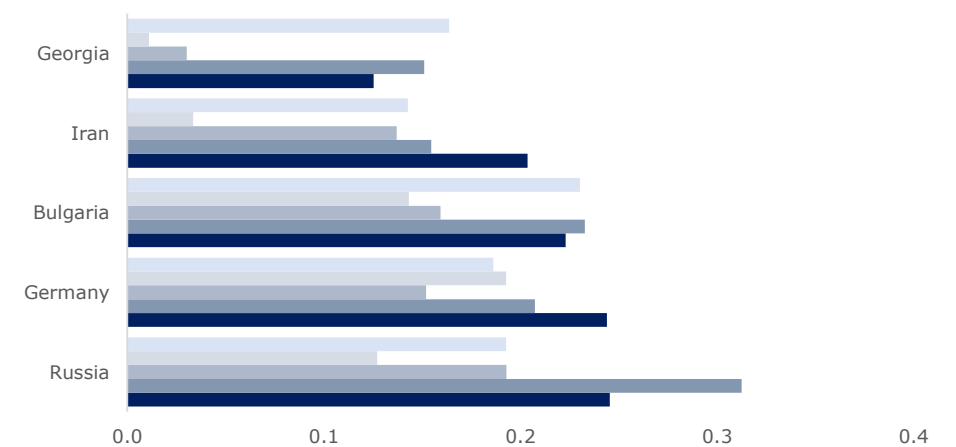
2023 2022 2021 2020 2019



Visitors Comparison for September in the Last 5 Years

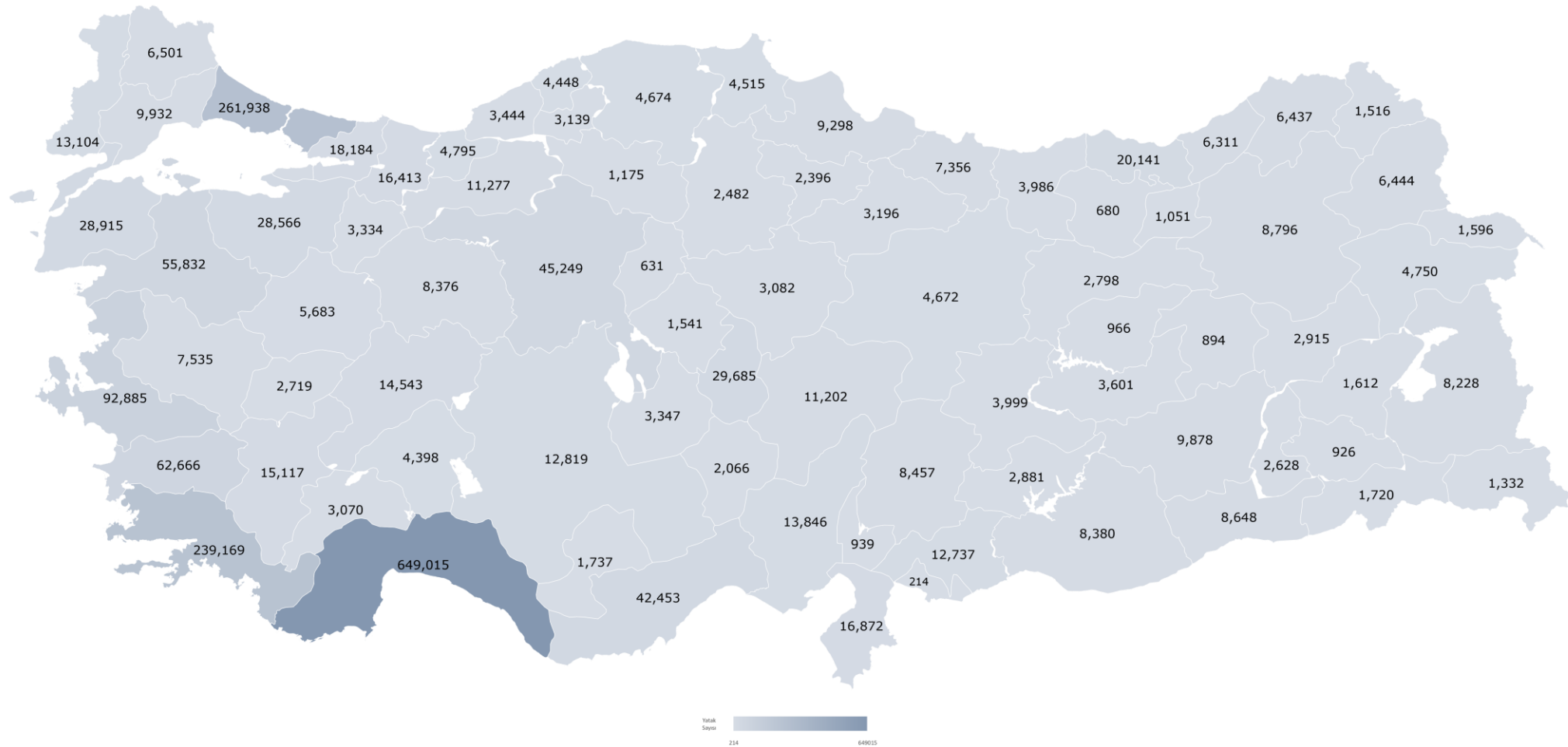
(Million People)

2023 2022 2021 2020 2019



TOURISM | Tourist Facilities

As of **November 2023**, the total bed capacity in **20,990** tourist facilities approved by the Ministry was **1.95** million.



TOURISM | Tourist Facilities

Hospitality (Hotel) Statistics for January-November Period (11 Ay)

	Occupancy (%)					ADR* (Euro)					REVPAR** (Euro)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
İstanbul	74	38	53	75	66	89	78	90	136	145	66	60	48	102	95
Ankara	63	31	41	53	56	56	56	53	66	84	35	17	22	35	47
Antalya	66	41	52	64	58	90	99	129	149	178	60	40	67	95	102
Anadolu	57	34	48	54	50	40	33	35	47	64	23	11	17	25	32
Türkiye	68	37	51	68	60	77	71	82	118	131	52	26	42	79	78
Avrupa	73	34	43	65	70	113	92	103	132	143	83	31	45	86	100

* Daily Average Price

**Revenue per Room

Hospitality (Hotel) Statistics for November

	Occupancy (%)					ADR* (Euro)					REVPAR** (Euro)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
İstanbul	71	42	73	76	68	81	85	73	143	124	58	35	58	109	84
Ankara	72	30	63	59	67	57	58	46	74	90	41	17	29	44	60
Antalya	54	41	53	52	49	47	42	44	76	84	25	17	24	39	41
Anadolu	57	37	58	54	52	38	31	29	53	62	22	11	17	28	32
Türkiye	64	40	66	66	60	64	64	63	113	103	42	26	41	74	62
Avrupa	72	21	56	67	68	107	68	107	124	129	77	14	59	83	88

* Daily Average Price

**Revenue per Room



Economic and Analytical Research

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